

NATIONAL HOUSING CORPORATION

STRATEGIC PLAN

2023-2027



“Housing the Nation”

Vision

“A Decently Housed Nation”

Mission

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

Core Values

Equity

Integrity

Team Work

Professionalism

Customer Focus

Sustainability

Innovation and Research

FOREWORD

During MTP III period (2018 – 2022), the government has been working on an ambitious program to provide affordable housing through the Big Four Agenda to meet the constitutional right to accessible and adequate housing enshrined in Article 43 of the Constitution of Kenya, 2010. It worked towards constructing 500,000 affordable housing units for the lower- and middle-income population segment by the end of 2022. Despite the government investing both monetary and in-kind resources (such as land to investors and infrastructure) in the development of housing, the plan remained unachievable. Home ownership among Kenyans remains as low as 21.3 percent in urban areas with the rest of the urban dwellers being renters. The real estate in Kenya faced a myriad of challenges that hindered the achievement of this target.

Kenya has a housing supply of approximately 50,000 units annually with only 2.0 percent of this supply targeted for the low-income earners. 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. The largest demand has been for affordable housing to cater for the 61 percent of urban dwellers who live in slums and shortage in student accommodation accounting for 40 percent of the deficit.

It is against this background that the Kenya Kwanza Administration plans to close the housing gap by facilitating delivery of 200,000 houses per year which will result in an increase in affordable housing supply from 2 percent to 50 percent. The government also aims at increasing the number of mortgages from the current 30,000 to 1,000,000 during MTP IV period: (2023 – 2027) by enabling low-cost mortgages of Kshs. 10,000 and below. To realize this, the Government will implement policies and administrative reforms to lower the cost of construction and improve access to affordable housing finance while creating jobs and entrepreneurial opportunities to all Kenyans. In this regard, the Government will not only provide land and bulk infrastructure, but also implement measures to unlock the challenges that inhibit investment in the housing sector. NHC, being the principal government-implementing agency in housing, is expected to play a leading role in this endeavor. In view of this huge responsibility, NHC has developed a Corporate Strategic Plan for the period 2023 - 2027 through a consultative process with its stakeholders.

The rationale for this Strategic Plan is informed by the existing gap in housing as highlighted above and the rapid urbanization at 4.4 percent per annum. This Strategic Plan identified general strategic issues that may affect the Corporation in implementing its

mandate; and provides the strategic direction for the Corporation for the plan period by identifying specific goals and objectives to be achieved during the plan period. The Corporation will embark on an ambitious journey where it expects to deliver a total of 110,000 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 appropriate building technologies through the manufacturing 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 Corporation has aligned the Strategic Plan to the Human Resource instruments to ensure that all set goals and strategic objectives are implemented by staff with required skills and competencies.

The Board of Directors has pledged its commitment to the realization of the goals and objectives set out in this plan. The Board acknowledges the need to promote our core values through equity, integrity, innovation and research, professionalism, customer focus, team work, and sustainability. Further, NHC endeavours to strengthen its internal business processes and develop its financial, human, and technological capacity. NHC will automate key processes to enhance efficiency in all operations.

I look forward to continued collaboration from all our stakeholders and partners to realize our Vision of attaining “A Decently Housed Nation”.

QS. Yusuf K. Chanzu
Chairman, Board of Directors

PREFACE AND ACKNOWLEDGEMENTS

In recognition of the importance of housing, Article 43 (1b) of the Constitution of Kenya, 2010 states that every person has the right to accessible and adequate housing, and to reasonable standards of sanitation. In this regard, the Strategic Plan 2023 - 2027 aims at guiding the Corporation in executing its mandate and functions as set out in the Housing Act Cap 117 Sections 7, 8, 9 and 10. This plan is aligned to specific plans for housing under the social pillar of the Kenya Vision 2030, the Sustainable Development Goals (SDGs) as well as other global and regional initiatives. This plan sets out to build on the achievements of the previous strategic plan while being aligned to sector plans for MTP IV and the national government development priorities under the Bottom-Up Economic Transformative Agenda (BETA). It will also act as a guide for assessing the Corporation's performance and achievement of results during the plan period.

The Plan sets out the strategic direction for the Corporation for the plan period considering the emerging trends in the environment in which the Corporation operates in, the strengths, weaknesses, opportunities, and threats it might face and global geopolitical realities. The Plan provides the strategic direction focusing on the Vision, Mission and Core Values that drive the Corporation's aspirations. It also identifies five Key Result Areas (KRAs) with corresponding strategic objectives and strategies for its effective implementation. These KRAs are: Housing, Financial, Estate Management, Research & Innovation and Corporate Sustainability. The plan will guide the Corporation's Management in ensuring effective and efficient utilization of resources.

The preparation of strategic plan 2023 - 2027 benefited from inputs of different individuals, departments from both levels of government and other institutions. We acknowledge the NHC Board of Directors and Top Management for providing overall leadership and support. Special appreciation goes to the Strategic Plan Ad Hoc Committee for their tireless efforts in the development of this plan and the Kenya School of Government (KSG) for peer reviewing the plan. We also acknowledge National and County Government departments, staff, and external stakeholders whose inputs enormously contributed towards the development of this Plan.

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

QS. David Mathu
Managing Director

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CONCEPTS AND TERMINOLOGIES

Affordable Housing Bond Aggregator	A financial intermediary that matches the financing requirements of affordable housing providers with the investment preferences of institutional investors.
Affordable Housing	Housing that is adequate and costs not more than 30% of the household income per month to rent or acquire.
Appropriate Building Materials and Technologies	Refers to processes, materials, elements and tools that are compatible with the local socio-cultural, economic as well as physical and ecological environment of an area.
Basic Infrastructure	Includes access roads, water-supply, sanitation, ICT connectivity, electricity and waste-management facilities that supports provision of decent houses.
Community Housing Providers	Are generally not-for-profit organizations managed by a Board of Directors. They manage the properties that they own and also manage other properties that are owned by the government, or that are rented from private landlords with government funding.
Construction Cost Index	An indicator of the average cost movement over time of a fixed basket of representative goods and services related to Construction Industry.
Cost Apportionment Criteria	The process of dividing indirect costs among several cost centers or cost pools based on some proportion or percentage
Cost-In-Use	The cost of owning, running, or using something
Encumbered Land	A parcel of land with a legal claim or liability attached to a property which restricts owner's ability to transfer title of property
End-to-End System	A process that takes a system or service from beginning to end and delivers a complete functional solution
EPS Panels	Single piece factory engineered units comprising of two metal wires bonded to a fully insulating EPS Core.
Estate Occupancy Level	The percentage of all units in one rental property that are occupied during a certain period of time.
Geographical Information System	A computer system for capturing, storing, checking, and displaying data related to positions on Earth's surface.
GL-Client System	Core ICT system for the Corporation
Green Building	The practice of creating structures and using processes that are environmentally responsible and resource-efficient throughout a building's life-cycle.
Greenhouse Gases	Gases that trap heat in the atmosphere

Home Guarantee Scheme	An Australian Government initiative to support eligible home buyers to purchase a home sooner.
Housing Deficit	A deficiency or lack in the number of houses needed to accommodate the population of an area.
Housing Finance Schemes	Financing provided to individuals for the construction, purchase of residential house/apartment and for purchase of plot and construction thereupon.
Housing Price Index	An index that measures the changes in the transaction prices of dwellings purchased by households.
Internal Housing Units	market rate residential development undertaken by the Corporation
Land Bank	The practice of aggregating parcels of land for future sale or development.
Project Life	the period of time from the Effective Date (or any other particular applicable date thereafter) through all of the then-contemplated development and sale of the Property pursuant to the Business Plan
Rural Housing Loan Product	Mortgage programs that can help low- to moderate-income rural residents purchase, construct, and repair homes.
Sinking Fund	a fund formed by periodically setting aside money for the replacement of a wasting asset
Social Bonds	Bonds where the bond issuer is gathering funds for a project that had some socially beneficial implications.
Tenant Purchase Scheme	A house purchase arrangement where the monthly payments for rent by the tenant purchaser or occupant contribute to offsetting the principal amount required to acquire the house.
User Reaction	Behavior, a feeling or an action that is a direct result of experience of the Corporations products.
User Verification System	A system verifies the identity of a user attempting to gain access to a network or computing resource by authorizing a human-to-machine transfer of credentials during interactions on a network to confirm a user's authenticity.

ACRONYMS AND ABBREVIATIONS

ABMTs	Appropriate Building Materials and Technologies
AHBA	Affordable Housing Bond Aggregator
AHP	Affordable Housing Projects
AUM	Assets Under Management
BETA	Bottom-Up Economic Transformation Agenda
BOD	Board of Directors
CBA	Commercial Bank of Africa
CEO	Chief Executive Officer
CHPs	Community Housing Providers
CMA	Capital Markets Authority
CSR	Corporate Social Responsibility
DFI	Development Finance Institution
D&I	Diversity and Inclusion
EPS	Expanded Polystyrene
ESG	Environmental, Social and Governance
FASA	Financial Advisory Services Agreement
GESIP	Green Economy Strategy and Implementation Plan
GHGs	Greenhouse Gases
GHS	Global Housing Strategy
GIS	Geographic Information System
GM-CPM	General Manager Construction & Project Management
GM-CS	General Manager Corporate Services
GM-E	General Manager Estates
GM-F	General Manager Finance
GM-PQ&RM	General Manager Planning, Quality & Risk Management
GM-RPD	General Manager Research, Product Development & Capacity Building

GoK	Government of Kenya
HDB	Housing Development Board
HGS	Home Guarantee Scheme
HR	Human Resources
HRP	Human Resource Plan
ICT	Information and Communication Technologies
IFC	International Finance Corporation
ISMS	Information Security Management System
ISO	International Organization for Standardization
JVs	Joint Venture
KBRC	Kenya Building Research Center
KCAA	Kenya Civil Aviation Authority
KCB	Kenya Commercial Bank
KEBS	Kenya Bureau of Standards
KMRC	Kenya Mortgage Refinancing Company
KPLC	Kenya Power and Lighting Company
KRA	Kenya Revenue Authority
KRAs	Key Result Areas
KSG	Kenya School of Government
KSHS	Kenya Shillings
KYC	Know Your Customer
MD	Managing Director
M&E	Monitoring and Evaluation
MSMEs	Micro, Small and Medium Enterprises
MTP	Medium Term Plan
NBK	National Bank of Kenya
NCA	National Construction Authority
NCCAP	National Climate Change Action Plan

NEMA	National Environment Management Authority
NHC	National Housing Corporation
NHDF	National Housing Development Fund
NHFIC	National Housing Finance and Investment Corporation
NHHA	National Housing and Homelessness Agreement
NHIF	National Housing Infrastructure Finance
NIC	National Industrial Credit
OSHA	Occupation Safety and Health Act
PE	Plant and Equipments
PESTELE	Political, Economic, Social, Technological, Environmental, Legal & Ethical
PFMA	Public Finance Management Act
PPP	Public Private Partnerships
QMS	Quality Management Systems
SACCOs	Savings and Credit Cooperative Organization
SAGAs	Semi Autonomous Government Agencies
SCM	Supply Chain Manager
SDG	Sustainable Development Goals
SGS	Societe Generale de Surveillance
SHMFF	Social Housing Mortgage Finance Fund
SMS	Short Message Service
SWOT	Strengths, Weaknesses, Opportunities & Threats
TVET	Technical and Vocational Education and Training
TPS	Tenant Purchase Scheme
UNEP	United Nation Environmental Program

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 55.8 Million by 2028 from 50.8 Million in 2022. The population in the labour force (15 – 64 years) is expected to increase to 35.1 Million by 2028 from 30.4 Million in 2022.

The Country supplies 50,000 housing units annually to the market while the demand is 200,000 units. To bridge the gap and cater for the increased population, it is estimated that over 200,000 additional housing units are required annually to satisfy the unmet need for decent and affordable housing. Provision of sustainable housing to Kenyans forms a critical delivery pillar in the Kenya Vision 2030 which aims at transforming the country into an industrialized middle-income economy providing high quality life for all the citizens by the year 2030. It is against this backdrop that the Kenya Kwanza administration through the Bottom-Up Economic Transformative Agenda (BETA) has identified housing as one of its critical pillars and priority sectors geared towards provision of affordable housing to majority of Kenyans at the bottom of the economic pyramid.

The Corporation has aligned the strategic plan to the policies, frameworks government blueprints and has identified various strategies to deal with the challenges experienced during the implementation of the previous plan; key being resource mobilization.

This strategic plan is premised on the vision of attaining **“A Decently Housed Nation”**, with a mission **“To efficiently provide and facilitate access to innovative housing solutions”**. It is anchored on the core values of Equity, Integrity, Innovation and Research, Team Work, Professionalism, Customer Focus and Sustainability.

The Corporation has adopted five strategic Pillars namely, Housing Pillar, Financial Pillar, Estates Management Pillar, Research and Innovation Pillar and Corporate Sustainability Pillar. Under Housing Pillar, the Corporation is targeting to deliver 110,000 housing units; 100,000 Affordable Housing units through collaboration with County Governments, 5,000 units on Corporation land targeting commercial rate market and 5,000 rooms for student accommodation. The Corporation also targets to increase prime land bank through purchase of land, land recovery and allocation by government and other State Agencies.

The implementation of the Plan will cost Kshs 361.9 Billion. The Corporation will mobilize Kshs 340 Billion from external sources and the balance of Kshs 22 Billion will be sourced internally. In Estates Management Pillar, it is envisaged that property management, valuation and sales and marketing will be carried out efficiently to enhance revenue generation. Research and Innovation is enshrined in the Act that formed the Corporation. Under the Research and Innovation Pillar, it is expected that the Corporation will establish and operationalize research and innovation centre through which the Corporation will be distinguished as a leading research and innovation center on Housing matters.

The fifth Pillar is Corporate Sustainability. It is expected that internal business processes and systems will be re-engineered, in addition, the Corporation will seek to enhance corporate governance, corporate brand and image, and human resource capacity.

CHAPTER ONE: INTRODUCTION

1.0 Overview

The development of this Strategic Plan for the National Housing Corporation (NHC) has taken cognizance of its mandate as contained under the Housing Act Cap. 117 Laws of Kenya. This chapter provides a brief history of the Corporation and further covers global, regional, and national development issues and the Corporation development goal vis-a-vis the National Development Agenda and Regional and International Frameworks.

1.1 Strategy as an Imperative for Organizational Success

NHC has its origins in 1953 when the colonial Government of Kenya created a Central Housing Board through the Housing Ordinance. 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 dwellings in areas where Local Authorities were unable or unwilling to do so. The Board became National Housing Corporation (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 channeled to Defunct Local Authorities (Counties), and for providing the technical assistance needed by those authorities in the design and implementation of their housing schemes.

The Government has identified housing as one of its development priorities and targets to facilitate construction of at least 1,000,000 affordable and decent houses by 2027, create 100,000 jobs directly and indirectly in the housing and construction sector as well as through production of building products from TVETs. The government targets to increase the provision of affordable housing from the current 2% to 50% by 2027. In that regard the Corporation has an important role to play in realizing the aspirations of Kenyans as identified in the Vision 2030, the Constitution of Kenya 2010 and the SDGs target 11.1. The Corporation's target market is at the lower middle and bottom of the pyramid. Incidentally it is within this market segment that the largest demand for housing remains unfulfilled.

The National Housing Corporation Board of Directors has pledged commitment to the realization of the goals and objectives set out in this plan. In the planning period the Board commits to develop or facilitate delivery of 110,000 housing units across the country under Affordable Housing Program (AHP), Commercial and Student Hostel Rooms. In addition, the Corporation will acquire prime land through direct purchase or partnership to realise the housing agenda. The Board acknowledges the need to promote our core values through equity, integrity, innovation and research, professionalism, customer focus, team work and sustainability. Further, NHC pledges to strengthen its internal business processes and develop its financial, human and technological capacity. NHC will automate key processes to enhance efficiency in all its operations.

1.2 The Context of Strategic Planning

This strategic plan has been developed in consideration of national development priorities, regional and international development frameworks.

1.2.1 United Nations 2030 Agenda for Sustainable Development

UN-Habitat envisions well-planned, well-governed and efficient cities and other human settlements with adequate housing, infrastructure and universal access to employment and basic services such as water, energy and sanitation. Adequate housing advances economic and social inclusion, digital access, personal safety & security and healthy environments. This is outlined in the Sustainable Development Goals, target 11 (SDG 11) which implores the Nations of the World to make cities and human settlements inclusive, safe, resilient and sustainable.

In Kenya, Affordable Housing Programme focuses on providing affordable housing solutions to citizens at low costs and favorable financing options. This way, the programme aims to increase access to adequate and safe housing for the population, particularly for the low- and middle-income earners.

The Corporation, being the principal implementer of Government housing policies and programmes, in its strategic plan 2023-2027 aims to develop a total of 100,000 housing units under AHP that will cater to the low- and middle-income earners. Basic services and infrastructure will also be developed as an essential component of housing that contributes to improved living conditions of the residents. In doing so, the strategic goal

on improving housing in the Strategic Plan helps fulfill the SDG 11 target of ensuring access for all to adequate, safe and affordable housing, basic services and decent housing.

1.2.2 African Union Agenda 2063

African Union Agenda 2063 takes cognizance of the African countries desire to eradicate poverty and provide high standards of living by dealing with the challenges of high population and urbanization through improvement of habitats and basic necessities of life. Agenda 2063 encapsulates not only Africa's aspirations for the future but also identifies key flagship programmes which can boost Africa's economic growth and development that lead to the rapid transformation of the continent.

Kenya faces an annual deficit of 200,000 housing units which is escalated by an annual urbanization rate of 4.4%. To avoid proliferation of informal settlements in urban areas, the Affordable Housing Programme will be implemented and replicated across the 47 counties to promote well planned urban areas and provide infrastructure which is essential for sustainable development. The Affordable Housing Programme is a transformative agenda that will go beyond provision of decent homes to deserving Kenyans but will also trigger economic transformation, jobs, and wealth creation. This will also foster social development and improved living conditions. Housing will also open up rural towns and spur development in urban centers across the country promoting inclusive growth.

In the planned period, the Corporation will develop 100,000 housing units under the Affordable Housing Programme across the country. This aligns with aspiration of the African Union Agenda 2063 of A prosperous Africa based on inclusive growth and sustainable development where the continent is determined to eradicate poverty in one generation and build shared prosperity through social and economic transformation of the continent.

1.2.3 East African Community Vision 2050

The East African Community (EAC) Vision 2050 articulates the dreams and aspirations of the East African people and makes a commitment to what they will do to achieve these dreams. The Vision serves to provide an architecture around which EAC should concentrate its energies for economic and social development. As per the National Government, the centrality of Affordable housing and Settlement in shared national growth and its multiplier effect on the Kenyan economy is premised on the catalytic role

it plays in employment creation, poverty reduction and its potential to improve standards of living.

Through collaborations on housing development with county governments, academic institutions and other partners on Public Private Partnership, the Corporation will endeavor to develop 110,000 housing units in the plan period. Water Resource Authority, Kenyan Power and Lighting Company, Kenya Urban Roads Authority and Kenya Rural Roads Authority will be tasked with provision of physical infrastructure in the proposed sites. EAC Vision 2050 targets to achieve 92.9% access to safe water, 90% improved access to sanitation, 90% access to electricity and 65,700 paved roads by the year 2050 among others. The NHC strategic plan 2023-2027 aligns well with the regions vision and contributes to the realization of access to modern, fast and affordable infrastructure that is essential for economic development and wellbeing of the population, economic empowerment of the citizens to spur growth and fast track poverty reduction, job creation initiatives to provide for current and future needs of the bulging youth population and increased partnership between the public and private sectors for economic transformation.

1.2.4 Constitution of Kenya

The entrenchment of the right to housing in the Constitution of Kenya 2010 (Article 43) was a new dawn to many Kenyans, especially the low and medium earners. They had high hopes of living in adequate and decent houses that secure their right to dignity. The right is also provided in the Universal Declaration of Human Rights and the International Covenant on Economic Social and Cultural Rights.

In recognition of the importance of housing as defined in Article 43 (1b) of the Constitution of Kenya, The Government of Kenya undertakes to facilitate the development of 250,000 affordable Housing Units Annually. The Corporation, in its strategic plan 2023- 2027 will facilitate and develop 110,000 housing units either directly or through partnerships or collaborations with county governments. The housing projects will incorporate adequate services and infrastructure to promote decent living and sanitation for all. The Corporation and the various County governments will ensure provision of social infrastructures. Accessibility to adequate and affordable housing will guarantee both economic and social rights and preserve the citizens' human dignity.

1.2.5 Kenya Vision 2030, Bottom-Up Economic Transformation Agenda and Fourth Medium Term Plan

Housing is one of the key sectors in the construction industry and contributes significantly to the development process in Kenya. The National Housing Corporation plays a leading role in the implementation of National Government policies and programmes. Provision of sustainable housing to Kenyans forms a critical delivery pillar in the Kenya Vision 2030 blueprint, which aims at transforming Kenya into an industrialized 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 implementation of the Vision 2030 is in five-year phases. The strategy has been aligned to the Fourth Medium Term Plan (MTP IV 2023-2027), which identifies specific goals and the resulting flagship projects. The Vision 2030 social pillar has identified seven sectors that will drive the transformation of society. The sectors include 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.

According to the population census of 2019, Kenya's total population was 47.564 Million, of which 31% were in urban areas. Further, about 90% of Kenyans living in urban areas are on rental housing with about 65% of them living in informal settlements. Although most of the country's population still resides in rural areas, Kenya's trend towards urbanization is projected to continue, with 50% of the country's population expected to live in urban areas by 2050. To cater for the increased population, it is estimated that over 250,000 additional housing units are required annually to satisfy the unmet need for decent and affordable housing. However, Kenya produces 50,000 housing units annually giving a 200,000 housing units deficit. Of the 50,000 units built every year, only 2 per cent (1,000 units) are classified as affordable housing. The cumulative deficit is estimated at two million units since the commencement of the implementation of Vision 2030. As a result, more than 60 per cent of urban Kenyans live in slums and other low-quality housing without adequate sanitation, undermining their dignity and exposing them to health hazards. This is also a reflection of the bias towards upper income housing.

The Bottom-Up Economic Transformative Agenda (BETA) is anchored on five pillars i.e., Agriculture, Micro, Small, and Medium Enterprises (MSMEs), Housing, Healthcare and Digital highway and creative economy. The priority interventions proposed are expected to contribute towards six broad objectives including lowering cost of living, eradicating hunger and managing unemployment, improving fiscal performance, stabilizing foreign exchange and ensuring inclusive economic growth. MTP IV has been aligned to BETA outlining the current Government priority sectors to improve the living standards of Kenyans and grow the economy. This will be achieved through strategic partnerships between the National & County Governments, Co-operatives, private sector, the financial sector, development partners and foreign investors.

The Government has identified housing as one of the development priorities and targets to facilitate construction of at least 1,000,000 affordable and decent houses by 2027 and creating 100,000 jobs directly and indirectly in the housing and construction sector and through production of building products for the youth from TVETs. The government targets to produce 200,000 new housing units annually and increase the provision of affordable housing from 2% to 50%. Under Housing, the government will look to unlock private sector funding and create an enabling environment to enhance demand and uptake of affordable houses. The government also plans to implement policies to strengthen the Jua Kali sector by building their capacities to produce high quality construction materials such as doors, windows, gates and hinges. This will enable enterprises that produce housing products to emerge or expand, creating jobs and wealth for citizens.

The Bottom-Up Economic Plan is cognizant of housing settlement as a key driver for economic transformation. This is informed by the current imbalance between the demand and supply of affordable houses in Kenya as well as the potential role the construction industry can play towards job creation and economic growth. The pressure for affordable housing will further be escalated by growth in the urban population, making supply a moving target. The plan aims to turn the housing crisis into an economic opportunity. It proposes to provide affordable housing to cover both urban and rural centers. The 5-year plan includes a commitment of Kshs 250 Billion, of which Kshs 50 Billion is from the government through budgetary allocation and Kshs 200 Billion is from pension funds such as Asset Under Management (AUM) which currently stands at Kshs 1.5 Trillion and other collective investment schemes including Diaspora bonds.

The funding is geared towards:

- a. Increasing supply of new housing to 200,000 per annum and percentage of affordable housing supply from 2 percent to 50 percent. This will be achieved by structuring affordable long-term housing finance schemes, including a National Housing Fund and Cooperative Social Housing Schemes, that will guarantee off take of houses from developers;
- b. Growing the number of mortgages from the current 30,000 to 1,000,000 by enabling low-cost mortgages of Kshs. 10,000 and below;
- c. Giving developers incentives to develop more affordable housing.

The delivery of the housing plan will therefore be defined by supply, demand and an enabling environment. The demand side initiatives will include steps that affect access and lower mortgage costs. On the supply side, the government must establish an environment that encourages investors to provide funding for the projects as shown in table 1 below.

Table 1.1: Drivers for Affordable Housing

Supply Side	Demand Side
1). Ensuring the houses are built along an identified segmentation and income range. 2). Mixed use development with provision of social infrastructure. 3). Affordable developer financing. 4). Private sector financing with government support on land, bulk infrastructure and other incentives.	1). Provide a mix of long term Tenant Purchase Scheme (TPS) and Affordable Mortgages. 2). User verification system to ensure equity and fairness.
Incentives; Lowering costs of inputs, Tax breaks such as Zero-rating stamp duty for first time home owners.	

Assumptions:

The following assumptions were put into consideration while estimating the cost of delivering these interventions;

- a. The role of the government is to support unlocking private sector resources including pension funds and Assets Under Management towards affordable housing.
- b. 2.94 percent of the 2.7 Million of the formally employed people earn more than Kshs. 100,000 and can afford the market mortgage; of this 36.8 percent will go for the market based mortgage.
- c. Minimum value for a Market qualifying property is Kshs. 4 Million.
- d. Current government contribution to KMRC amounting to Kshs. 7.70 Billion will unlock Kshs. 16.94 Billion in on-lending as per the KMRC eligibility for Primary Mortgage Lenders which requires the nominal value of pledged home loans should exceed the aggregate outstanding balance of the loans to the financial institution by 120 percent.
- e. The government will allocate Kshs. 1 Billion to the settlement fund annually. The funds will be lent to the landless to purchase land and will be repaid at annual interest of 5 percent

Based on these assumptions, the government will need to allocate approximately Kshs. 57.9 Billion for the five years in order to unlock Kshs. 200 Billion from pension funds and the private sector. This is in addition to the settlement fund. The amount required for these interventions is higher than the commitment of 50 Billion in the manifesto.

Table 1.2: Cost of Housing and Settlement Proposals (Kshs. Million)

Intervention	Year 1	Year 2	Year 3	Year 4	Year 5	Total Cost
Grow the number of mortgages from 30,000 to 1,000,000 by enabling low cost mortgages	10,480	11,000	11,550	12,130	12,740	57,900
Settlement Fund for rural Settlement	1,000	1,000	1,000	1,000	1,000	5,000
Total	11,480	12,000	12,550	13,130	13,3740	62,900

Source: Parliamentary Budget office

1.2.6 Sector Policies and Laws

Housing policies and laws at the national level are often influenced by international policies and treaties that promote and protect human rights, including the right to adequate housing. In Kenya, housing is enshrined in Article 43(1)(b) of the Constitution that gives every citizen a right to accessible and adequate housing, and to reasonable standards of living. The Strategic Plan also takes cognizance of other policies and laws that guide fulfillment of Article 43(1) (b) of the Kenyan Constitution.

The National Housing Corporation is the principal agency for the implementation of the housing policies and programmes for the national government. In pursuit of its mandate, the Corporation plans to develop housing units through collaborations, partnerships and PPPs to provide affordable and social housing that will seek to alleviate poverty, raise living standards and create employment among others. The strategic plan 2023 – 2027 has been aligned to the National and International treaties, laws and policies. The Corporation plans to deliver 110,000 housing units under AHP and commercial projects over the planned period within the limitations of the national Laws, policies and international treaties and conventions. The strategic plan also undertakes to ensure there is enhancement of Governance (ESG) issues to ensure that the Corporation's activities are not only compliant with existing laws but also friendly to the environment, social and governance practices and sustainable.

The Corporation exercises its mandate within the provisions of the Housing Act Cap 117 that gives it power and authority, the Sectional Properties Act, African Charter on Human Rights and People's Rights, New Urban Agenda (NUA), SDGs, Climate Change Act as well as Universal Declaration Human Rights (UDHR) frameworks that advocate for adequate housing for all, making human settlement inclusive and sustainable.

The National Housing Corporation is therefore expected to play a key role in the attainment of the medium and long-term goals through participation in the various initiatives identified in the Vision 2030, the Medium-Term Plan IV (2023/24 – 2027/28), government development priorities, the Constitution of Kenya 2010 and the SDGs as well as position itself as the lead housing development facilitator for the planned projects.

1.3 History of the Organization

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 to cater for Europeans and Asians. In 1965, the Board decided to undertake direct construction of dwellings 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 function of the Corporation as per the Housing Act Cap 117 is to facilitate development and construction of dwellings, undertake research and training on housing matters among others. The Corporation, as per the Executive Order No. 1 of 2023 is mapped as the principal Agency in the Development and Management of Affordable Housing and researching on appropriate low-cost housing building and construction technologies.

1.4 Methodology of Developing the Strategic Plan

To ensure participation and contribution by the key implementers of this strategic plan, a participatory approach to planning was used. The approach was aimed at ensuring ownership of the strategic plan and to enhance effectiveness and efficiency in implementation. The specific methodology adopted included formation of an ad-hoc strategic steering committee, document review, interviews/ discussion and workshops. Both internal and external stakeholders were involved in providing input towards completion of the plan. Peer review of the plan was also done by consultants from the Kenya School of Government-KSG.

1.4.1 Initiation of the Strategic Planning Process

Following the coming to an end of the 4th generation strategic plan for 2018-2023 on 30th June 2023, the management initiated the process of developing the next cycle of the strategic plan by forming an ad hoc technical strategic committee on 20th February 2023 comprising of nine (9) members of staff. The committee had specific TORs that were to culminate with a new strategic plan document to steer the Corporation towards a successful five-year period 2023-2027.

1.4.2 Strategic Plan Development

The technical team developed the strategic plan framework aimed at providing the means of achieving the following:

- a). The organization strategic direction which entails the Vision, Mission, Goals, Core Values and Quality Statement.
- b). A comprehensive analysis of the organization external and internal contexts as well as stakeholders. Under this section interviews were conducted and questionnaires were circulated to various organizational stakeholders in addition to reviewing various relevant documents examples being:
 - i. The Corporation's Strategic Plan 2018-2023
 - ii. The Corporation's audited financial accounts for the period 2018-2023
 - iii. The Constitution of Kenya 2010
 - iv. The Housing Act Cap 117
 - v. The Kenya Vision 2030
 - vi. The Medium-Term Goal IV
 - vii. The UN 2030 Agenda
 - viii. The African Union Agenda 2063
 - ix. The East African Community Vision 2050
 - x. The Bottom-Up Transformation Agenda (BETA)

1.4.3 Strategic Plan Validation

The draft strategic document was validated as following during the development stage lifecycle;

- a). The draft strategic plan document was first validated by the top management of the Corporation in a workshop held between 17th and 21st April 2022. It was after this that the document was circulated to the entire staff for their review and input.
- b). The Corporation then invited a team of external consultants in strategic planning from the Kenya School of Government between 15th and 19th May 2023 to further review the draft document.
- c). Finally, the Board gave their input on the document through a workshop held in the month of August 2023.

1.4.4 Finalization and Dissemination of the Strategic Plan

The strategic plan finalized, signed and published in readiness for implementation at the beginning of the plan.

CHAPTER TWO: STRATEGIC DIRECTION

2.0 Overview

This chapter covers the strategic direction of the Corporation as spelt out in the Housing Act Cap 117. The customised vision, mission, strategic goals, core values and the quality Policy Statement are spelt out in this chapter that will guide the Corporation in the next five years planning period.

2.1 Mandate

The mandate of National Housing Corporation as outlined under Section 7, 8, 9 and 10 the Housing Act (Cap 117) is as follows:

- a. To control the National Housing Development Fund, the Corporation will:
 - i. Lend or grant money to any local authority (County Government) for housing purposes,
 - ii. Make loans to any company, society or individual for housing purposes,
 - iii. Make loans to organizations establish for promoting the development of housing,
 - iv. Construct dwellings, carryout approved schemes and lay out and provide services for proof schemes,
 - v. Acquire any land or building or estate or interest for any of the purposes connected to housing,
 - vi. Maintain land or building or estate or interest therein for any of the purposes connected to housing,
 - vii. Appoint and employ on such terms and conditions such officers and servants as may be necessary,
 - viii. Pay such allowance to members of the Corporation as the minister may, in writing, approve.
- b. To guarantee the repayment of 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 dwellings or approved scheme.
- c. To undertake and encourage research and experiment in housing related matters, and undertake and encourage the collection and dissemination of information concerning housing and related matters.
- d. To take part in housing and other forms of publicity.

- e. To undertake and encourage provision of training in furtherance of housing purposes and provide training for members of its staff.
- f. To operate a housing finance institution with powers to borrow funds from government, 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.
- g. 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 carrying out of any such functions as the Corporation is empowered to carry on under the parent Act.

2.2 Vision Statement

“A decently housed nation”

2.3 Mission Statement

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

2.4 Strategic Goals

Strategic goals are desired outcomes in addressing the strategic issues which emanate from the Vision and Mission of the Corporation. The Corporation identified the following strategic goals for the plan period.

- a. Improve housing
- b. Timely and cost effective delivery of construction projects
- c. Efficiency in energy and water utilization
- d. Additional NHC Prime land bank
- e. Funds available to implement the strategy
- f. Improve revenue
- g. Improve profitability
- h. Reduction in operational cost to revenue
- i. Full occupancy
- j. Enhance sales
- k. Innovative housing solutions
- l. Improve stakeholder satisfaction
- m. Improve employee satisfaction
- n. Improve productivity

2.5 Core Values

In our endeavor to realize our vision, mission and key performance indicators, we will uphold the following foundational commitments and beliefs that will guide the implementation of the intended goals;

a). Equity

We commit to act impartially when dealing with our stakeholders irrespective of gender, region, social-cultural background and marital status.

b). Integrity

We commit to consistently uphold the highest ethical standards, demonstrating honesty and fairness in all operations at all levels of the organization.

c). Innovation and Research

We believe that the way forward in attaining sustainable growth and realizing our mandate is through generation of creative and innovative ideas. We will therefore, welcome and support creativity and innovation.

d). Professionalism

We submit to uphold professional approach in all our operations and deliver superior quality products and services.

e). Customer Focus

We are committed to achieving the highest levels of customer satisfaction through continuous improvement of products and services with high regard for our customers and stakeholders.

f). Team Work

We shall continue to value teamwork and team spirit and this will be articulated in our process, people and systems.

g). Sustainability

We value our environment and Society where we operate hence keen on conservation of the environment and enhancement of Governance (ESG) issues to ensure that our activities are not only compliant with laws but also friendly to the environment, social and governance practices.

2.6 Quality Policy Statement

National Housing Corporation (NHC) is committed to consistently provide and facilitate provision of high-quality Expanded Polystyrene (EPS) building materials and decent,

adequate and affordable housing plus related services to the satisfaction of all our interested parties.

At NHC we shall:

- a. Endeavour to maintain and continually improve the effectiveness and efficiency of our Quality Management System in accordance with ISO 9001:2015 International Standard;
- b. Strive to understand, and satisfy needs and expectations of our customers and other relevant interested parties;
- c. Satisfy relevant customer, legal and other requirements;
- d. Plan and implement actions to address the risks and opportunities that could affect NHC;
- e. Ensure Integrity, Environmental Sustainability, Cost Effectiveness, Innovation, Teamwork, Equity and adherence to Professional Ethics; and
- f. Promote an informed, highly skilled and motivated work force in which all employees share in this Quality Policy commitment, and provide an enabling and collaborative environment and recognize their contributions.

This Quality Policy and related objectives are communicated and made available to relevant interested parties and is reviewed continually, taking into account changing business environment and quality management practices, for continuing suitability and effectiveness.

CHAPTER THREE: SITUATIONAL AND STAKEHOLDER ANALYSIS

3.0 Overview

This chapter covers an analysis of internal and external environments and evaluation of past performance. The environmental scan of the Corporation was undertaken using PESTEL and SWOT analyses as well as an analysis of stakeholders, their roles and expectations.

3.1 Situational Analysis

The Situational Analysis looks at factors outside the Corporation that impact both positively and negatively on its performance and ability to achieve its overall Strategy. The analysis covers both the external and internal environments, alongside the Corporation's past performance.

3.1.1 External Environment

An analysis of the external environment which is largely beyond the Corporation's control was undertaken to reveal issues and trends to be carefully monitored that may affect implementation of the strategy. The environment is classified into Macro, Micro, Industry and Market environments.

3.1.1.1 Macro Environment

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, environmental 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:

1. Political Factors

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

- a. President's commitment on provision of Affordable and Social Housing that provide ready business for the Corporation.
- b. Change in legislation on National Housing Development Fund that will affect supply-side financing.
- c. The president's pronouncement on indicative prices for Affordable and Social Housing units will guide pricing model and terms of disposal.
- d. The ongoing global geopolitical tension that brings about supply chain constraints will continue.
- e. Coordination amongst the Corporation, various government institutions and County Governments to enable seamless provision of housing will be strengthened.
- f. The government Commitment to grow the number of mortgages and enable low cost mortgages will encourage home ownership.
- g. Sustained war on corruption will continue.
- h. Housing will remain a key priority area for the current and future Governments.
- i. There will be continued political stability over the plan period.
- j. Development of closer ties within the East African Community will continue.
- k. Devolution will continue to be strengthened.

II. Economic Factors

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

- a. The new governments' commitment to stabilize macro-economic environment which will encourage more investors/partners in the housing sector.
- b. Sustained economic growth that will lead to improvement of borrowing power thus our customers can afford financial facilities for our products.
- c. Demand for housing will continue increasing with the increasing need for housing in Kenya.
- d. The economy will continue to recover from effects of Covid-19 and global geopolitical shocks.
- e. Interest rates, government economic policies and level of financial security will continue to determine affordability and demand for housing.

III. Social Factors

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

- a. A growing middle-income class.
- b. Improvement of the livelihood of the people.
- c. Population growth will remain high.
- d. Urban growth rate will continue at 4.23% per annum and above.
- e. Poverty levels will remain high.

- f. Demand for decent housing will remain high.
- g. Major demographic shifts that can affect real estate trends e.g. entry of millennial generation in the home buyers' market will demand houses that suit their lifestyle and cater for conveniences adopted.
- h. The public perception of the Corporation on the execution of its mandate.

IV. Technological Factors

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

- a. Adoption of technology to enhance research, development and innovativeness in the housing sector.
- b. Advancement in ICT e.g., cloud computing, mobile technologies etc.
- c. Development of smart homes.

V. Environmental Factors

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

- a. Concern for environmental sustainability will escalate.
- b. Awareness of environmental issues will continue to increase i.e., environmental protection, degradation etc.
- c. There will be business to conduct their activities in environmentally friendly ways.
- d. As the country move towards sustainable homes for the future, policies and legislation around green homes will guide the Corporation.
- e. Increased green building efforts.

VI. Legal Factors

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

- a. Recognition of housing as a right in the Constitution of Kenya 2010.
- b. AHP policy and regulations.
- c. Legal Policy and regulatory environment will remain favorable.
- d. The Corporation will be guided by laws/regulations passed to protect environment, allow new technologies or govern real estate licensing.
- e. Increased green building efforts.

3.1.1.2 Micro Environment

The Micro environment is the immediate operating environment local to organizations that directly affects its business activities on a daily basis. It is important for organizations, the Corporation included to regularly monitor all elements of the microenvironment and

relationships to improve on decision making and effectively manage emerging issues in good time. Analysis of the Key Microenvironment elements within the Corporation space are as follows;

- a. **Contractors & Suppliers:** - The Corporation sources its inputs from contractors and suppliers mostly through public procurement processes. The onboarding does not lead to competitive prices being offered as other considerations have to be fulfilled. The discharge and replacement process are also a lengthy affair guided by public regulations. This reduces the Corporation's control leading to unreliable delivery times and increase in costs thus affecting business performance with dissatisfied customers and missed sales.
- b. **Competitors:** - The products offered by the Corporation have high level of competition with private players forming the bulk of competitors who are not restricted with compliance to public regulations. This flexibility enables them to be more efficient in pricing and speed of delivery.
- c. **Customers:** - Majority of Corporations customers are retail who at individual level are sensitive to service offerings and have wide choices in the market. The Corporation will focus on providing tailored solutions to meet personalized needs of this type of customers.
- d. **Regulatory Agencies & Frameworks:** - The Corporation being a public body must strictly comply with numerous frameworks in its operations that increases levels of bureaucracy which affects timely decision making and achievement of strategic objectives. The Corporation will forge closer engagements with all regulatory Agencies and lobby for amendments to processes, laws or policies that impede efficient business performance.
- e. **General Public & Media:** - The public have in recent times been more assertive in protecting their rights as enshrined in the 2010 Constitution. The Corporation's activities have in some occasions come under public scrutiny with respect to environmental issues and enforcement of its various agreements with customers. This environment compels the Corporation to operate with social and environmental responsibility to sustain public confidence and positive media coverage, which is crucial for public acceptance and business performance.

3.1.1.3 Industry Environment

Industry environment comprises of factors specific to the industry that affect profitability and competitiveness of businesses. This environment increases rivalry among firms through innovation, specialization, better customer service and use of technology. Industry structure influences the strategies available to businesses and this is more pronounced where businesses are in more than one environment. The Corporation operates in diverse Industry environments namely Manufacturing, Housing and Financial Services through tenant purchase loans on own developed housing projects. An analysis of these environments can be approached using Porters five force model as outlined below;

- a. Competition in the industry –The degree of rivalry or competition determines the level of profitability and attractiveness of the industry. The Corporation operates in environments with high competition dominated by established private sector players who further specialize in one environment. This reduces its market share and ability to make above average returns.
- b. Potential of new entrants into the industry – Provision of housing remains an attractive investment opportunity for creating wealth that investors are always willing to plunge into. All industries have impediments and barriers, however, the only difference is the extent imposed, which could be regulatory, capital employed and time period. The stronger the barriers the more favourable it is for existing players in the industry. Barriers to entry in environments the Corporation operates in are not very strong, which makes the industry attractive to the new entrants but less profitable.
- c. Power of suppliers –The number of suppliers and contractors providing key inputs in the environments are many making it easy to switch from one to the other offering lower costs. The Corporation’s Manufacturing arm relies heavily on imported inputs with fewer suppliers who have some bargaining power. This is an area where the Corporation could come up with innovative strategies to reduce local supplier power on inputs.
- d. Power of customers – Customers’ power to push prices down is affected by their numbers, importance of each and costs in finding replacements for its products. Fewer customers have more power to bargain for favourable prices and terms of business than many customers. The industries the Corporation operates in have

many individual customers who are independent with no strong power on their own to influence pricing structures.

- e. Threat of substitute products –An industry is attractive to businesses where there are no close substitutes as it gives them more power to increase prices with less risk of customers shifting elsewhere. The only impact that it may have is less purchases in the short term as customers adjust to spending habits. A building has various components that are likely to have substitutes compromising the quality of the housing products. With exception of Manufacturing environment that has close substitutes in form of traditional building materials, Housing and Financial services have none. The Corporation has therefore limited headroom to increase prices of its manufactured products when costs or other factors dictate as customers have available substitutes. Appropriate strategies are therefore required for effective use of resources applied in the Manufacturing environment.

3.1.1.4 Market Analysis

The Corporation's primary mandate is to implement the housing projects and programmes on behalf of the Government and promoting home ownership. The target market for the NHC's services generally includes low and middle-income socio-economic segments of the population. Consequently, the Corporation is involved in planning, financing, designing and construction of housing projects aimed at providing affordable homes for both rental and purchase, through outright sale or tenant purchase terms, to the target market across the country.

The Corporation uses targeted outreach campaigns to reach out to the specific demographics that are likely to be interested in the housing units such as the Kenyan Diaspora or other Kenyans. Over the strategic plan period the Corporation targets to construct student accommodation in selected learning institutions across the country. This market is important in addressing the deficit in student accommodation resulting from increased enrolment rates by the learning institutions witnessed in the recent past.

3.1.2 Summary of Opportunities and Threats

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

Table 3.1: Summary of Opportunities and Threats

Environmental Factor	Opportunities	Threats
Political	<ol style="list-style-type: none"> 1. Support by Government given the current focus on the housing sector; 2. Release of public and institutional land for housing development; 3. Government support and goodwill, 	<ol style="list-style-type: none"> 1. Government policy shifts that may not be aligned to NHC's plans; 2. Political interference and lack of project funding from the Government;
Economical	<ol style="list-style-type: none"> 4. National Housing Development Fund by Government which includes voluntary and non-voluntary contributions; 5. Construction of houses for SACCOs; 6. Exploiting the existence of the East Africa Common Market Protocol; 7. Involvement in global sustainability agenda 	<ol style="list-style-type: none"> 3. High construction costs; 4. High land costs; 5. Expensive project capital; 6. Under developed physical and social infrastructure across the country; 7. Unpredictable financing costs; 8. Macro-economic instability; 9. Negative effects of Covid-19 pandemic; 10. Negative spillover of Russia and Ukraine war and other geopolitical tension; 11. High and numerous levies and charges by Regulatory Agencies on imported inputs and finished products; 12. Vulnerability to foreign

		exchange shocks increasing costs of imported inputs and cost of debt financing;
Social	<p>8. Rapid urbanization and increased housing demand;</p> <p>9. Affordable Housing and settlement;</p> <p>10. Growing number of students without accommodation/hostels creating new housing demand;</p> <p>11. Integration of sustainability in affordable housing</p>	<p>13. Increased tenant's advocacy (haki yetu);</p> <p>14. Land encroachment by squatters;</p>
Technological	12. Growing and unmet Market demand for industrial building Systems;	<p>15. Changing technology in the built environment;</p> <p>16. Cyber security threats;</p>
Legal	<p>13. Devolved system of governance provides opportunities for collaborations;</p> <p>14. Entrenchment of the right to housing in the Constitution of Kenya, 2010;</p>	<p>17. Rigid Public Procurement and Public Finance Management Acts that restrict flexibility and timely decision making thus increase the prices for goods and services in the public sector;</p> <p>18. Devolution of the housing function by the current constitution;</p> <p>19. Bureaucratic land registration processes;</p>
Ecological	<p>15. Collaboration with new players such as KMRC and Public Private Partnerships;</p> <p>16. Availability of partners in housing sector applied research;</p> <p>17. Conduct publicity activities on the Corporations upcoming projects and projects under collaboration with other government entities</p>	

	and county governments;	
Micro Factors	18. Leveraging on huge asset base; 19. Redevelopment of the old houses;	20. Low purchasing power amongst many Kenyans; 21. Inadequate skilled artisans; 22. Lack of appreciation and understanding of the roles and what Corporate Communication Unit can do; 23. Factory land claimed by Private Parties; 24. Rising overhead costs, and
Industry Environment	20. Readily available partners and collaborators for EPS technology.	25. Competition from private developers, institutions and other state agencies; 26. Cheaper and more familiar conventional building material substitutes;
Market Environment	21. Availability of public private partnerships in the local and international markets; 22. Avenues for capturing Diaspora market for housing;	27. Insufficient suitable land to put up houses; 28. Inadequate knowledge on EPS technology in the construction industry – constructors, homeowners, etc.

3.1.3 Internal Environment

Actual expenditure on housing in the Country declined from Kshs 25.6 Billion in 2020/21 to Kshs 10 Billion in 2021/22. The utilization rate of budgeted expenditure declined to 70.6% in 2021/22 compared to 93.9 per cent in 2020/21. Going forward, this expenditure is expected to increase with the advent of the Housing Levy and the increased focus of the current administration on housing under the Bottom-Up Economic Transformation Model.

The Corporation has continuously facilitated and developed housing units since its inception across the Country. It has an experienced, all-encompassing, in-house, technical

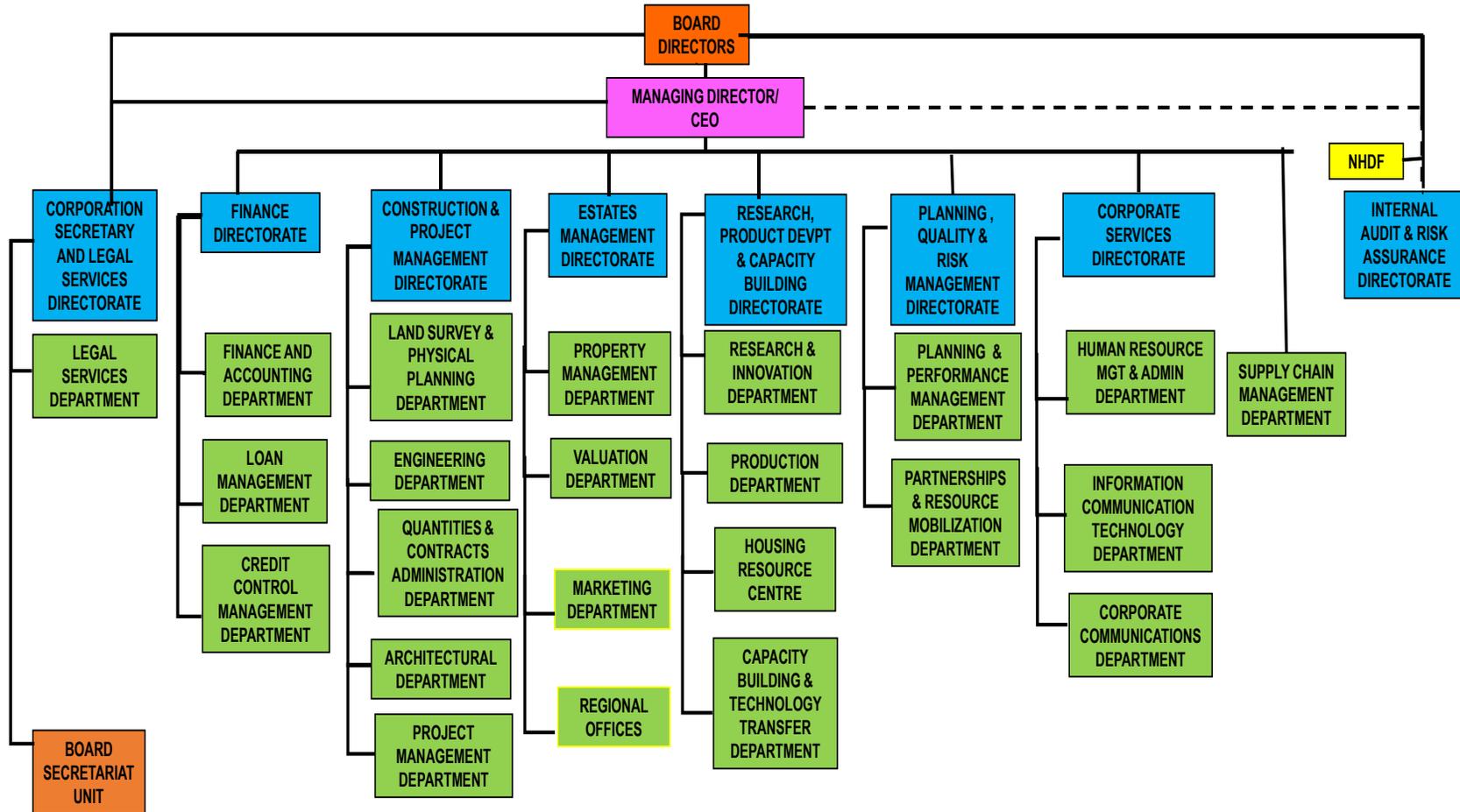
team to manage the development of the proposed projects. This is projected to give the Corporation a distinct advantage in the delivery of the housing agenda in the Country. The management is also engaging County Governments to access suitable land for housing development. The resources mobilized are also geared towards developing affordable housing units. The Corporation's strategy will also take advantage of its national outlook, its large balance sheet, internal capacity and extensive experience in the real estate sector to deliver quality and affordable housing under the Bottom-up Economic Transformational Agenda.

3.1.3.1 Governance and Administrative Structures

This section presents the organization structure of the Corporation that will facilitate effective and efficient execution of the strategic plan, defines decision making arrangements as well as reporting relationships.

Organizational Structure

The Corporation structure described above is as depicted in Figure 1 below:



3.1.3.2 Internal Business Processes

During the plan period, the main aim is to undertake Business Process Reengineering on internal business processes and procedures to support the projected growth in a more pro-active and efficient manner. The focus is to optimize existing technology and refine processes and procedures to provide real business competitive advantage and deliver services in a competitive, sustainable, efficient and cost-effective manner.

3.1.3.3 Resources and Capabilities

The resource-based view (RBV) argues that a firm's sustained competitive advantage is based on its valuable, rare, inimitable, and non-substitutable resources. The capability of firms to create or acquire these resources affects their performance and competitiveness over their competitors. In the planning period the Corporation will be determining the resources available within and how they relate to the capabilities of the Corporation. The table below shows the identified resources and their classification.

Table 3.2: Resources and Capabilities

Category	Resource	Criteria: Valuable, Rare/Scarce, Inimitable, Durable, Un-substitutable
Tangible	1. Land	Un-substitutable
	2. Investment Property	Valuable
	3. EPS Factory	Valuable
Intangible	4. Reputation	Un-substitutable
	5. Institutional Knowledge	Inimitable
	6. Skilled Workforce	Rare/Scarce
Organization Capabilities	7. Large Balance sheet	Valuable
	8. Goodwill/ Strong Track Record	Rare/Scarce
	9. Fully Fledged Technical Team	Inimitable

3.1.4 Summary of Strengths and Weaknesses

A summary of strengths and weaknesses provides an appreciation of the capabilities of an organization and the internal factors that affect it. This analysis results in the identification of strengths and weaknesses. These provide a good indication of what the future strategies will be. The results of the strengths and weaknesses analysis are outlined below:

Table 3.3: Summary of Strengths and Weaknesses

Factor	Strengths	Weaknesses
Governance and Administrative Structures	<ol style="list-style-type: none"> 1. National presence; 2. Government ownership and support; 3. An enabling legislative framework. 4. Positive perception of the Corporation as a key player in providing affordable housing solutions and contributing to addressing the housing needs for the population. 	<ol style="list-style-type: none"> 1. Lack of a framework to guide partnerships with County Governments in the delivery of houses; 2. Lack of a land bank policy;
Internal Business Processes	<ol style="list-style-type: none"> 5. ISO 9001:2015 Certification and Management System for Information Security (ISMS 27001:2013) in place; 6. Customer centric organization; 7. Savvy ICT staff, high appetite for more automation 8. Automation of a number of functions; 	<ol style="list-style-type: none"> 3. Inadequate ICT infrastructure and work space for both staff and equipment; 4. Lack of synergy in internal business processes; 5. Project time and cost overruns; 6. Limited availability of NHC products in desired locations across the county; 7. Lengthy and bureaucratic procurement and approval process that hamper efficient service delivery, and, 8. Lack of full Automation.
Resources and	<ol style="list-style-type: none"> 9. Skilled, competent and 	<ol style="list-style-type: none"> 9. High portfolio of bad debts

Capabilities	<p>experienced personnel;</p> <p>10. EPS Product acceptability, High market share and brand recognition;</p> <p>11. Good relationship with all stakeholders;</p> <p>12. Strong asset base;</p> <p>13. A rich experience in the housing and building technology industries;</p> <p>14. Having and extended variety of products suitable for the market;</p> <p>15. Trusted brand name with a reputation of providing quality and affordable housing;</p> <p>16. Quality housing sets NHC apart from other housing providers, making it a competitive player in the market and attracts potential home buyers and tenants.</p>	<p>from customers;</p> <p>10. Standard none appealing designs;</p> <p>11. High production, Operational & maintenance expenses;</p> <p>12. Ageing Plant & Machinery and Obsolete/inadequate equipment;</p> <p>13. Inability to service market demands;</p> <p>14. Human resources structural and capacity inadequacies;</p> <p>15. Aging workforce;</p> <p>16. Unable to attract qualified professionals in ICT security;</p> <p>17. Custody of land without titles;</p> <p>18. Internal cash flow constraints and budgetary constraints;</p> <p>19. Frequent stock outs on EPS panels;</p> <p>20. Poor brand visibility;</p>
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3.1.5 Analysis of Past Performance

In the previous strategic plan (2019 – 2023), the Corporation identified five strategic themes and aligned them to the National Development Agenda and MTP III of Vision 2030. Strategic objectives, strategies and key activities were identified for implementation towards achieving the Corporation mandate and targets as outlined in the plan. The five themes were;

- a. Housing Economy
- b. Internal Business Processes and Systems
- c. Stakeholder focus
- d. Human Capital and Corporate Governance
- e. Environmental sustainability

3.1.5.1 Key Achievements

The overall achievement of the strategic plan 2019 – 2023 was 51%. Specific achievements along the identified themes were as listed below;

I. Housing Economy

The Corporation completed the development of 550 housing units during the plan period out of a target of 185,000. A total of 734 units were ongoing and at different levels of completion during the same period. The Corporation took over the management 1,370 AHP at Parkroad. To finance the strategy, the Corporation mobilized Kshs 7,134,697,606 through internal funding, borrowing and GoK funding out of Kshs 1.13 Trillion and also received approval from the National Treasury to borrow Kshs 3.81 Billions to support housing. Various resource mobilization initiatives were carried out to raise funds towards implementation of the plan; the Corporation also signed a Financial Advisory Services Agreement (FASA) with IFC in an effort to source for developers for the construction of 3,500 affordable houses at the Stoni Athi Waterfront City at an estimated cost of Kshs 7 Billion.

The Corporation improved the marketing effort for the houses for rental, tenant purchase and outright sale by carrying out activities that give the Corporation more visibility including engaging prospective tenants and purchasers on the social media platforms.

II. Internal Business Processes;

The Corporation aimed at fully re-engineering internal business processes and systems in line with the best practices by enhancing and implementing NHC's business continuity strategy in COVID-19 times and/or during any other pandemic and risk. The Corporation rolled out The NHC KENYA App that supports customers in accessing products and services and also achieved ISO 9001: 2015 certification.

III. Stakeholder Focus

The Corporation targeted to continuously identify and map out the Corporation stakeholders and to improve customer satisfaction from the current 67% to 77% (10% improvement). A baseline survey was carried out and the average satisfaction level was 67%. A follow up survey was ongoing by the end of the Strategic Plane period. There was continuous mapping and consultation with stakeholders.

IV. Human Capital and Corporate Governance

The Corporation aimed at enhancing the institutional capacity of the Corporation to carry out its business during the plan period. Implementation of the training schedule on Mwongozo for the Board was done and training carried out in South Africa and Tanzania. Programme to train 22 senior staff on the government recommended trainings i.e. the Senior Management Course and the Strategic Leadership Programme starting January 2023 was implemented. Additionally, the Corporation undertook employee promotions, staff training and ensured that entire staff signed code of conduct and carried out quarterly and yearly appraisals.

V. Environmental Sustainability

Under environmental sustainability, the Corporation targeted to comply with all laws, regulations, policies and guidelines that protect and promote environmental sustainability. The Corporation complied with relevant statutory and regulatory obligations. However, targets on implementation of Affordable Housing Programme, Resource mobilization initiatives, Automation, Environmental Sustainability Auditing & Reporting whose implementation was not completed during the last plan period have been carried forward and enhanced in the new Plan.

3.1.5.2 Challenges

Several factors hindered the achievement of planned activities during implementation of the Strategic Plan 2019-2023. The following key challenges were identified:

- a. The Corporation made strides to resource mobilize to finance the Strategy. It takes long to finalize fund raising engagements.
- b. Long project turn-around time; making it difficult to complete projects on time hence locking the money in one project for too long.
- c. Rental yields have stagnated. Increasing rental yield has increasingly become difficult post the Covid-19 pandemic whereby even retaining tenants who are paying faithfully has proven to be a challenge. For properties that are already nearing market levels, it may not be possible to increase rent in view of this.
- d. Financial constraints in the implementation of Affordable Housing; the Corporation does not receive government funding; making it difficult to implement affordable housing as structured.

- e. The Corporation achieved a lot in acquiring titles for land that it owns. However, encumbrances on land remain a big challenge even as NHC continues to build sizeable prime land banks.

3.1.5.3 Lessons Learnt

The following lessons were learnt and therefore formed a basis for better formulation and implementation of the strategy:

- a. The Corporation can source for raw materials locally i.e. EPS
- b. Automation of process is key to enable staff work away from Office
- c. The Corporation Business continuity processes
- d. There is need to enhance risk management framework within the Corporation as per the National Treasury Guidelines
- e. Sectional Properties Act, No. 21 of 2020: this has created an enabling environment for the Corporation to process sectional titles
- f. In the implementation of AHP still remains a core agenda in the government, the Corporation does not have to rely on government funding but Joint Venture (JVs), Partnerships with Counties, other SAGAs etc
- g. The need to house the lower middle class that the Corporation should focus on through offering both commercial and AHP.
- h. In the last 5 years, there has been increase Appropriate Building Materials and Technology (ABMT) Technology innovation which includes pre-cast. Out of this, the Corporation needs to invest more on ABMTs
- i. Re-engineering internal processes and reviewing internal policies and having a highly motivated workforce were found to be necessary for the achievement of the strategic plan.

3.2 Stakeholder Analysis

NHC operates 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. During the Strategic Plan period, the Corporation identified several key stakeholders. They have various interests (stakes) in the Corporation as outlined in the table below.

Table 3.4: Stakeholder Analysis

S/No.	Stakeholder	Role	Stakeholder Expectations	NHC Expectations
1.	Land owners	Offering land to the Corporation for buying or on partnership basis.	<ol style="list-style-type: none"> 1. Purchase land from them 2. Partner with them to develop their land 3. Provide information on housing 4. Consultancy services 5. Timely completion of the purchase process 	<ol style="list-style-type: none"> 1. Competitive prices 2. Genuine title deeds 3. Provision of suitable land 4. Non fraudulent deals 5. Commitment to timely completion of the purchase process
2.	Financiers	Offer financial support either through loans or partnerships.	<ol style="list-style-type: none"> 1. Timely settlement of obligations 2. Continued development of houses 3. Provision of correct information for successful partnerships 4. Fast tracking the approvals of the financing process 5. The Corporation will be a going concern 6. Disclosure of all terms and conditions 7. Timely completion of the transaction 	<ol style="list-style-type: none"> 1. Timely release of project funds 2. Long term financing 3. Competitive terms and conditions 4. Disclosure of all terms and conditions 5. Commitment to timely completion of the transaction
3.	KMRC	Facilitate end buyers with low cost mortgages	<ol style="list-style-type: none"> 1. Steady supply of houses by NHC 2. Creation of a subsidiary financial institution by NHC 	<ol style="list-style-type: none"> 1. Strategic partnership 2. Access to KMRC database

S/No.	Stakeholder	Role	Stakeholder Expectations	NHC Expectations
				<ul style="list-style-type: none"> 3. Enhance mortgage uptake 4. Introduction of off take arrangements
4.	Contractors, Suppliers and Other Service Providers	<p>Deliver housing projects.</p> <p>Provide supplies of materials, services and support the completion of the various housing projects.</p>	<ul style="list-style-type: none"> 1. Equity in pre-qualification 2. Integrity in contract awards 3. Competence 4. Timely payment 5. Honouring of the contract agreement 6. Professional management of projects 7. Adherence to the existing laws and regulations 8. Competitive sourcing 	<ul style="list-style-type: none"> 1. Timely project delivery 2. Quality service delivery 3. Competence 4. Value for money 5. Honouring of the contract agreement 6. Integrity in delivery of the project
5.	Statutory regulators (NEMA, CMA, KRA, NCA etc.)	Prompt quality control within the housing projects	<ul style="list-style-type: none"> 1. Compliance to regulations 2. Payment of statutory fees on time 	<ul style="list-style-type: none"> 1. Prompt approvals 2. Equity in regulation application
6.	Customers	Are the end uses and consumers of the completed housing projects by the Corporation	<ul style="list-style-type: none"> 1. Affordable, quality, adequate and inclusive housing 2. Functionality: To meet expectations and circumstances 3. Equity in house allocation 4. Good and prompt customer service 5. Public participation before 	<ul style="list-style-type: none"> 1. Feedback on service delivery 2. Loyalty 3. Meeting their obligations promptly e.g., payment 4. Good relations and cooperation

S/No.	Stakeholder	Role	Stakeholder Expectations	NHC Expectations
			<ul style="list-style-type: none"> project implementation 6. Provide innovative solutions to housing 7. Seek and obtain all the necessary approvals before project commencement 	<ul style="list-style-type: none"> 5. Provide correct information before service delivery 6. Honesty 7. Adherence to the terms and conditions of engagement
7.	Professional Associations	Provision of oversight and professional advice/support to the Corporation.	<ul style="list-style-type: none"> 1. Support e.g., memberships, sponsorships, trainings 2. Strategic partnerships within built industry 3. Ethical practice 	<ul style="list-style-type: none"> 1. Professional support and guidance to members who are NHC staff 2. Recognition of affiliation 3. Strategic partnerships 4. Lobby and train members on innovative solutions
8.	Training and Research institutions	Partnerships in research Provide benchmarking opportunities	<ul style="list-style-type: none"> 1. Sponsorship of research 2. Utilization/implementation of research findings 3. Continuous Investment in research initiatives 4. Provision of resources for research 5. Conduct research in various areas 	<ul style="list-style-type: none"> 1. New ideas on new developments in the sector 2. Training of professional staff 3. Provision of resources for research 4. Dissemination of research findings and other relevant

S/No.	Stakeholder	Role	Stakeholder Expectations	NHC Expectations
				industry information in good time 5. Well trained professional staff
9.	Certification bodies (KEBS, SGS, Green Building Council)	Prompt quality and standards with the Corporation.	<ol style="list-style-type: none"> 1. Adherence to certification requirements 2. Certify all new products 3. Standardized designs 	<ol style="list-style-type: none"> 1. Timely certification 2. Timely feedback
10.	National and County Governments	<p>National Government: Provide Policy guidelines</p> <p>Counties: Partners in provision of Housing by providing land for AHP</p> <p>Commit uptake of the AHP projects</p>	<ol style="list-style-type: none"> 1. Increase in the stock of affordable housing 2. Dividends to National Treasury 3. Employment creation 4. Environmental sustainability 5. Compliance with the law 6. Good corporate governance 7. Implement the Government's policies/agenda on housing matters 8. Forge partnerships with private and public bodies to facilitate housing development (PPP) 9. Review and recommend changes to existing legislation and laws to align to best business practices 	<ol style="list-style-type: none"> 1. Availing land 2. Availing of funds 3. Partnerships in housing development 4. Enact facilitative legislation 5. Repeal and amend non-facilitative legislation 6. Fast track necessary approvals as and when sought 7. Provide clear guidance on matters policy 8. Realignment of the role of NHC and the

S/No.	Stakeholder	Role	Stakeholder Expectations	NHC Expectations
				Parent Ministry 9. Provision of infrastructure and services
11.	Media	Objective coverage	<ol style="list-style-type: none"> 1. Patronizing advertisement services 2. Facilitating access to relevant information 	<ol style="list-style-type: none"> 1. Positive publicity 2. Fair and affordable rates
12.	General public	End users and consumers of the NHC products	<ol style="list-style-type: none"> 1. Effective discharge of NHC mandate 2. Good corporate citizenship 	<ol style="list-style-type: none"> 1. Goodwill and general support 2. Law abiding
13.	Utility Service Providers (KPLC, KCAA, Water Service Providers)	Ensure consistent supply of services and infrastructure to support the various NHC housing project	<ol style="list-style-type: none"> 1. Timely applications and submission of relevant documents 2. Timely payment of expected fees 3. Submission of all the relevant documentation in support of the application 	<ol style="list-style-type: none"> 1. Timely processing and approval of the applications 2. Certificate issuance in good time 3. Timely provision of the service(s) requested applied
14.	Board of Directors	Provide strategy and oversight within the Corporation	<ol style="list-style-type: none"> 1. Implementation of developed policies 2. Achievement of the Corporation's objectives 	<ol style="list-style-type: none"> 1. Policy direction 2. Support in resource mobilization 3. Oversight 4. Good corporate governance
15.	Staff	Implement the strategy and policy	<ol style="list-style-type: none"> 1. Good human resource management practices 2. Conducive work 	<ol style="list-style-type: none"> 1. Dedication and commitment 2. Professionalism

S/No.	Stakeholder	Role	Stakeholder Expectations	NHC Expectations
		direction of the Board	environment 3. Appropriate remuneration 4. Equity and fairness 5. Continuous professional development and facilitation	3. Loyalty 4. Creativity and innovation 5. Productivity, Efficiency, Integrity

CHAPTER FOUR: STRATEGIC ISSUES, GOALS AND KEY RESULT AREAS

4.0 Overview

This chapter covers the strategic issues that were identified out of the SWOT analysis of the Corporation. In addition, the chapter highlights the strategic goals and key result areas that the Corporation will be focusing on in the plan period.

4.1 Strategic Issues

Based on the PESTEL, SWOT, and stakeholder analysis, the following strategic issues were identified:

- a. Devolution: The Corporation needs to forge partnerships with the devolved units to meet housing requirements at the county level.
- b. Availability of suitable and serviced land: Availability of suitable and serviced land is critical to the achievement of the Corporation's mandate and Affordable housing agenda
- c. Access to funding: Access to low cost and long term funding and implementation of innovative funding models such as JVs to deliver housing.
- d. Uncertainty in the business Environment
- e. Housing Market Dynamics:
- f. Rising cost of construction and environmental Issues:
- g. Operational sustainability:

4.2 Strategic Goals

The Corporation identified the strategic goal highlighted below which depict the desired outcomes in addressing strategic issues.

- a. Improve housing.
- b. Additional NHC Prime Land bank
- c. Secure funds for implementation of the strategy
- d. Improve profitability.
- e. Maximize revenues and reduce costs.
- f. Innovative Housing solutions
- g. Improve Organizational sustainability and Efficiency.

4.3 Key Result Areas (KRA)

Key Result Areas are the key areas of performance for an organization in a given time period. The KRAs are derived out of strategic goals. These KRAs must be implemented and achieved for the Corporation to succeed.

a). Housing Pillar

The Corporation through this pillar aims at contributing towards development of sustainable housing units by delivering Affordable Housing program, commercial housing and student hostels.

b). Financial Pillar

The Corporation through this pillar will focus on enhancing resource mobilization through internal and external sources to fund implementation of this strategic plan.

c). Estate Management Pillar

Through this pillar, the Corporation will work towards optimizing returns on real Estates through enhanced property management, sales and marketing.

d). Research and Innovation Pillar

Through this pillar Corporation aims at promoting research and innovation and positioning itself as the Center of excellence on housing matters during the plan period.

e). Corporate Sustainability Pillar

The Corporation through this pillar aims at strengthening institutional capacity through re-engineering internal business processes & systems, enhancing corporate brand, and human resource.

Table 4.1: Strategic Issues, Goals and KRA

Strategic Issue	Strategic Goal	KRA
i). Devolution	i). Improve housing	i). Housing
ii). Availability of suitable and serviced land	ii). Additional NHC Prime Land bank	
iii). Access to funding	iii). Secure funds for implementation of the	ii). Financial

	strategy	
iv). Uncertainty in the business Environment	iv). Improve profitability	
v). Housing Market Dynamics	v). Maximize revenues and reduce costs	iii). Estate Management
vi). Rising cost of construction and environmental Issues	vi). Innovative Housing solutions	iv). Research and Innovation
vii). Operational sustainability	vii). Improve Organizational sustainability and Efficiency	v). Corporate sustainability

CHAPTER FIVE: STRATEGIC OBJECTIVES AND STRATEGIES

5.0 Overview

This chapter further focuses on functional analysis by presenting the Key Result Areas, strategic objectives, strategies (key initiatives) and activities that define the strategic model of the Corporation.

5.1 Strategic Objectives

Strategic Objectives indicate what the Corporation commits to accomplish in the plan period projections.

The following are the strategic objectives under each pillar:

- a. Housing Pillar
 - i). To contribute towards development of sustainable housing units.
 - ii). Increase NHC Prime Land bank.
- b. Financial Pillar
 - i). To mobilize financial resources.
 - ii). To grow annual operating profits.
- c. Estate Management
 - i). To optimize returns on real estate.
- d. Research and Innovation Pillar
 - i). To make NHC the leading research and innovation center on housing matters.
- e. Corporate Sustainability Pillar
 - i). To strengthen institutional capacity for operational efficiency.

The five (5) year projections for the Corporation's strategic plan are as captured in Table 5.1 below: -

Table 5.1: Outcomes Annual Projections

Key Result Area One (1): Housing							
Strategic Objective	Outcome	Key Performance Indicator	Projections				
			Year 1	Year 2	Year 3	Year 4	Year 5
To contribute towards development of sustainable housing units.	Improved housing	No. of AHP Housing Units Commenced	6,200	13000	18000	24800	38000
		No. of Commercial Housing Units Commenced	760	1,060	1,060	1,060	1,060
		No. of student hostels Rooms Commenced	-	1,250	1,250	1,250	1,250
Increase NHC Prime Land bank.	Timely and cost effective delivery of construction projects	Projects completed within time	100%	100%	100%	100%	100%
		Projects completed within cost	100%	100%	100%	100%	100%
	Efficiency in energy and water utilization	% of projects certified			10%		20%
	Additional NHC Prime land bank	No. of acres	60	135	125	115	115
Key Result Area Two (2): Financial							
To mobilize financial resources.	Funds available to implement the strategy	Funds mobilized	23,817 Mn	50,681 Mn	67,139 Mn	88,840 Mn	131,432 Mn
To grow annual operating profits.	Improved revenue	Growth in revenue					5,000 Mn
	Improved profitability	Growth in profits					500 Mn
	Reduction in	% reduction	≤85	≤80	≤70	≤65	≤60

	operational cost to revenue	of cost to revenue					
Key Result Area Three (3): Estate Management							
To optimize returns on Real Estate.	Full occupancy	% of occupancy			100%	100%	100%
	Enhanced sales	No. of units sold					34,000
Key Result Area Four (4): Research And Innovation							
To make NHC the leading research and innovation center on housing matters.	Innovative housing solutions	No. of researches undertaken	-	-	1	-	1
Key Result Area Five (5): Corporate Sustainability							
To strengthen institutional capacity for operational efficiency.	Improved stakeholder satisfaction	Stakeholder satisfaction index	-	-	80%	-	-
	Improved employee satisfaction	Employee Satisfaction index	56%	-	65%	-	70%
	Improved productivity	Productivity index	0.6-0.9	0.6-0.9	0.9-1.2	0.9-1.2	1.2-1.5

5.2 Strategic Choices

Strategies choices are the means, the ways, the how's, and the methods by which the Corporation will realize the set strategic objectives. These are as follows: -

Table 5.2: Strategic Objectives and Strategies

Key Result Areas	Strategic Objectives	Strategies
1. Housing Pillar	1. To contribute towards development of	1. Develop or facilitate housing units under Affordable Housing Program (AHP)

Key Result Areas	Strategic Objectives	Strategies
	sustainable housing units	2. Develop Commercial Housing Units
		3. Develop Student Hostel Rooms
		4. Improve project life cycle management
		5. Promote Environmental, Safety and Health practices on Construction projects
	2. To Increase NHC Prime Land bank	6. Land Acquisition
		7. Land Recovery
2. Financial Pillar	3. To mobilize financial resources	8. Source for funds from internal and external sources
	4. To grow annual operating profits	9. EPS to breakeven by 2024/25
		10. Raise revenue through NHC products
		11. Raise revenue through consultancy services
		12. Raise revenue through Professional Fees
		13. Minimize Costs
3. Estate Management Pillar	5. To optimize returns on real estates	14. Enhance revenue generation
		15. Minimize property management cost
		16. Enhance Property management
		17. Property Valuations
		18. Enhance Sales and Marketing of products and services
4. Research and Innovation Pillar	6. To make NHC the Leading Research and Innovation Center on Housing Matters	19. Promote research and innovation on housing
5. Corporate Sustainability Pillar	7. To strengthen institutional capacity for operational efficiency	20. Re-engineer internal business processes and systems
		21. Enhance Corporate Brand and Image
		22. Enhance Corporate Governance

Key Result Areas	Strategic Objectives	Strategies
		23. Enhance the human resource capacity of the Corporation

Assumptions for Strategic Planning

The following assumptions considered in development of the strategic objectives and strategies are as follows:

- i. The Government will allocate funds to the Corporation for development of Housing in the Budget.
- ii. Approvals to borrow will be received on time.
- iii. The Corporation will collect all revenues as planned.
- iv. The projects will commence and be implemented as planned.
- v. The focus on affordable housing program by the current administration will be sustained during the planned period.
- vi. The Corporation will increase its human capacity towards implementing its mandate as targeted in the Plan.
- vii. There will be sustained demand for the units developed.
- viii. The county governments will be willing to provide land towards development of affordable housing.
- ix. Universities will be willing to provide land towards development of student's hostels.

CHAPTER SIX: IMPLEMENTATION AND COORDINATION FRAMEWORK

6.0 Overview

This chapter covers the implementation plan, the action plan, the annual workplan, the performance contracting, coordination framework, institutional framework, staff establishment, skills set and competence development. It also highlights leadership, systems and procedure and risk management framework.

6.1 Implementation Plan

The Implementation plan provides the operational framework that creates a shared understanding among the implementers to allow for effective implementation of the Strategic Plan. The implementation plan consists of:

- a. **Key Result Areas:** These are general areas of output or outcomes that are critical for the performance of the Corporation. They are derived from the Corporation goals.
- b. **Strategic Objectives:** This is what the Corporation has committed itself to accomplish in the five years of this strategic plan.
- c. **Strategies:** These are the means, the ways, the how's and the methods by which the Corporation will accomplish its set strategic objectives.
- d. **Key Activities:** These are the very important actions that must be done by the Corporation to achieve the set strategies.
- e. **Expected Outputs:** This is the desired output from a given activity executed by the corporation over the plan period.
- f. **Output Indicators:** This is the evidence to show that the output has met the set activity.
- g. **Five Year Target:** What an organization plans to achieve in a period of five years.
- h. **Budget:** An estimate of the cost of implementing a key activity.
- i. **Responsibility:** One who is in control of implementing a particular activity also referred to as a champion.

6.1.1 Action Plan

The action plan to implement the strategic plan over the five year period is annexed under **Annex I**.

6.1.2 Annual Workplan and Budget

The Corporation will on an annual basis prepare the annual operating work plan from the Action Plan Implementation Matrix which will form the foundation of preparing the annual budgets. For the financial year 2023/24 the work plan the annual work plan is extracted from activities and targets of year 1 of the strategic plan and broken down into quarters with their respective budgets as shown in Table 6.1

Table 6.1: Budget Summary FY 2023/2024

Budget Items	JUL/SEPT	OCT/DEC	JAN/MAR	APR/JUN	Annual
Projects					
NHC Funded Housing Projects	67.35	210.1	280	270	827.45
NHC Funded Infrastructure Projects	-	32	90	127	249.00
NHC Funded Project Support Expenses	-	11	21.21	31.43	63.64
Investments:					
Loans Advancing	56.18	69.7	569.7	570.6	1,266.18
Purchase of Fixed Assets	20.99	185.40	68.15	168.15	442.67
Total NHC Funded	144.52	508.2	1,029.06	1,167.18	2,848.96
Borrowing Projects	30.82	245.00	380.00	380.00	1,035.8
GOK Funding Projects	99.68	190.00	8,050.50	9,795.5	18,135.68
Sub Total Capital Expenditure	275.02	943.2	3,316.56	5,199.68	22,020.46
Recurrent Expenditure					
Staff Costs	75.51	154.33	169.33	169.33	568.51
Depreciation	12.94	23.13	26.98	26.88	89.93
Other Operating Costs	227.86	246.55	277.11	441.14	1,192.66
Sub Total Recurrent Expenditure	316.31	424.01	473.42	637.35	1,851.09
Total Expenditure	591.33	1,367.21	9,932.98	11,980.03	23,871.55

6.1.3 Performance Contracting

The Corporation will prepare the Annual Performance Contract from the Action Plan Implementation Matrix which is costed as set out the annual budget. The costed annual workplan derived in 6.1.2 above constitutes the annual performance contract.

6.2 Coordination Framework

The Corporation has aligned the Strategic Plan to the Human Resource instruments to ensure that all set goals and strategic objectives are implemented by staff with required skills and competencies. This will enable the Corporation to identify skills and competencies gaps and put in place strategies to fill the gaps to enhance efficiency and effectiveness in achieving the implementation of the Plan.

The Annual Work Plans will be extracted from the Action Plan Implementation Matrix and shared with the Heads of Directorates who will be expected to ensure cascading down to their functional areas. The HODs will be responsible for the coordination of implementation of the Strategic Plan in their respective functional areas.

6.2.1 Institutional Framework

The Corporation will fully implement the reviewed organizational structure and human resource policies, rules and regulations to support implementation of the strategic plan. The Corporation has developed an Organizational Structure that is aligned to the strategic plan as follows:

- a. The Board of Directors
- b. Office of the Managing Director
- c. National Housing Development Fund (NHDF)
- d. Corporation Secretary and Legal Services Directorate
- e. Finance Directorate
- f. Construction and Project Management Directorate
- g. Estates Management Directorate
- h. Research, Product & Capacity Building Directorate
- i. Planning, Quality and Risk Management Directorate
- j. Corporate Services Directorate
- k. Internal Audit and Risk Assurance Directorate
- l. Supply Chain Management Department

Internal Audit & Risk Assurance Directorate and NHDF report functionally to the Board and administratively to the Managing Director, while the other Directorates and Department report functionally to the Managing Director.

I. The Board of Directors

The role of the Board of Directors (BOD) is to provide policy direction and oversight to the Corporation in discharging its mandate. The Board establishes committees as deemed appropriate to enable it to fulfill its role efficiently.

II. Office of the Managing Director

The Managing Director/ Chief Executive Officer will be responsible for the day-to-day management and administration of the National Housing Corporation and will be accountable to the Board. The managing director is to provide leadership and ensure that sound policies and procedures are developed and implemented.

The Office of the Managing Director will be supported by eight (8) Directorates, one (1) Department.

Functions of the various Directorates and Department are as outlined below:

III. Finance Directorate

The Finance Directorate is responsible for providing optimal utilization and management of the Corporation's financial resources. It will also provide advisory services in the functional areas of finance, accounts and the National Housing Development Fund.

The Finance Directorate comprises of Finance and Accounts, Loan Management, and Credit Control & Management Departments.

IV. Estates Management Directorate

The Directorate is responsible for the coordination of valuations, sales, marketing, property management, maintenance, security and letting of houses. The Estates Management Directorate will comprise of the following Departments: Property Management, Valuation, Estate Agency, Marketing, and Regional Offices.

V. Construction and Project Management Directorate

The Directorate is responsible for land survey, physical planning, design and management of housing and infrastructure projects. The Directorate will comprise the following

departments: Land Survey & Physical Planning, Engineering, Quantities and Contracts Administration, Architectural, Project management.

VI. Corporate Services Directorate

This Directorate is responsible for providing overall leadership and direction on long-term, medium term and day-to-day management of Information Communication Technology, Human Resource, Administration and Corporate Communications functions of National Housing Corporation. The Corporate Services Directorate comprises of the following Departments: Human Resource Management & Administration, Information Communication Technology, and Corporate Communications.

VII. Corporate Secretary and Legal Services Directorate

The Directorate shall be responsible for legal advice, litigations, conveyance, and preparation of contracts. The Directorate will also offer Board secretarial services. The Corporation Secretary and Legal Services Directorate comprises of the following Departments: Legal Services and Board Secretariat Unit.

VIII. Research, Product Development & Capacity Building Directorate

The Directorate is responsible for undertaking research on housing related matters, collection and dissemination of information and provision of capacity building on innovations in housing technologies. The Directorate comprise of the following Departments: Research and Innovation, Production, Housing Resource Centre, and Capacity Building and Technology Transfer.

IX. Planning, Quality and Risk Management Directorate

The Directorate is responsible for coordinating business surveys, Strategy formulation, Performance Contracting, implementation, and maintenance of the Quality Management System (QMS), Risk Management Coordination, Partnerships and Resource Mobilization. This Directorate comprises of the following Departments: Planning and Performance Management and Partnerships and Resource Mobilization.

X. National Housing Development Fund

The Fund is established pursuant to Sections 7 and 8 of the Housing Act Cap 117 for provision of resources and credit to individuals and institutions for construction of dwellings and acquiring of property.

XI. Internal Audit and Risk Assurance Directorate

The Directorate is responsible for providing an objective and independent assurance to the Board, Management, on governance, risk management and internal control of the Corporation.

XII. Supply Chain Department

The Department is responsible for procurement of goods, works and services, inventory management and asset disposal.

6.2.2 Staff Establishment, Skills Set and Competence Development

The Corporation has an approved staff establishment of 376 members of staff. However, only 166 positions are filled, leaving a staff variance of 210 representing 56 percent. The Corporation will aim to gradually fill the staffing gaps by developing a Human Resource Plan (HRP) to be implemented in phases.

The Corporation has diverse skills at its various proficiency levels across all functional areas. The Corporation will continually identify the skills gaps and undertake competency development required for the implementation of the strategic plan.

Table 6.2: Staff Establishment

Ref	Cadre	Approved Establishment	Optimal Staffing Levels	In-Post	Variance
1	Office of the Managing Director	5	5	5	0
2	Corporation Secretary and Legal Services	11	11	5	(6)
3	Finance	45	45	27	(18)
4	Construction and Project Management	100	100	34	(66)
5	Estates Management	119	119	27	(92)
6	Research, Product Development & Capacity Building	36	36	15	(21)
7	Planning, Quality and Risk	10	10	2	(8)

	Management				
8	Corporate Services	38	38	42	4
9	Supply Chain	7	7	5	(2)
10	Internal Audit and Risk Assurance	5	5	4	(1)
	TOTAL	376	376	166	(210)

Table 6.3: Skills Set and Competence Development

NHC Grades	Skills Set	Skills Gap	Competence Development
1-12	<ol style="list-style-type: none"> 1. Communication skills; 2. Ability to work independently and in a team; 3. Administrative capabilities; 4. Ability to plan and prioritize tasks; 5. Problem solving skills; 6. Analytical skills; 7. Customer focus; 8. Negotiation skills; 9. Decision making skills; 10. Report/Minute writing skills; 11. Leadership Skills; 12. Mentorship skills; 13. Motivational skills 	<ol style="list-style-type: none"> 1. Communication skills; 2. Ability to work independently and in a team; 3. Administrative capabilities; 4. Ability to plan and prioritize tasks; 5. Problem solving skills; 6. Analytical skills; 7. Customer focus; 8. Negotiation skills; 9. Decision making skills; 10. Report/Minute writing skills; 11. Leadership Skills; 12. Mentorship skills; 13. Motivational skills 	<ol style="list-style-type: none"> 1. Training; 2. Focus groups; 3. Team Buildings; 4. Mentorship and coaching; 5. Succession planning; 6. Hiring;

6.2.3 Leadership

The Strategic Plan will be executed through Annual Work Plans. The Head of Directorates will lead the Strategic theme teams to be formed under each strategic theme to actualize key activities (terms of reference) over the plan period as per **annex I**.

6.2.4 Systems and Procedures

During the strategic plan period, the ultimate objective is to adopt modern technologies and systems that support housing development strategies. The Corporation will focus on acquisition, utilisation and maintenance of the technologies and enhance the existing systems and procedures. Some of the technologies and system the Corporation will be venturing into the planning period are; Business Information Modelling, Geographical Information System, Automated Documents Management Systems, Automated Water Billing System, Customer Relationship Management System, Automated Performance Management System, Property Management System, and implementation of new models in the G-client system.

6.3 Risk Management Framework

The Corporation considers risk management to be fundamental to good management practice. Effective risk management will provide an essential contribution towards the achievement of the Corporation's strategic objectives.

The Corporation will ensure that Risk management is an integral part of decision making at all levels throughout the life of the plan. This approach ensures that all risks are identified, analyzed, assessed and managed to achieve an optimal risk reward profile / trade off. This approach will also ensure integration of the Corporations strategic objectives, performance and risk management. During the planning a number of possible risks that would hinder implementation of the strategic plan were analyzed as listed in table 10 below alongside their respective mitigation measures.

Table 6.4: Risk Management Framework

S/No.	Risk and description	Likelihood (L/H/M)	Severity (L/H/M)	Overall Risk Level (L/H/M)	Mitigation measures
1.	Inadequate Human Capital	H	H	H	1. Recruitment 2. Retention strategies
2.	Bureaucratic Operational Processes and Procedures	L	H	M	1. Business Process reengineering
3.	Ineffective communication	H	H	H	1. Reviewing the communication strategy 2. Centralizing communication
4.	Counterfeit/wrong supplies	M	H	H	1. Appointment of competent members to the Inspection and acceptance committee 2. Sanctions committee members who accept contraband goods. 3. Draft contracts that protect the Corporation
5.	Poor culture	H	H	H	1. Implement a culture change program
6.	Uncollectable debts	H	H	H	1. KYC at the point onboard tenants. 2. Aggressive debt collection strategies 3. Regularization of leases.
7.	Incomplete/defective contract documents	H	H	H	1. Peer review 2. Develop internal capacity on contract development
8.	Inadequate financial resources	H	H	H	1. Explore alternative sources of funds apart from government and internal

S/No.	Risk and description	Likelihood (L/H/M)	Severity (L/H/M)	Overall Risk Level (L/H/M)	Mitigation measures
					sources. 2. Explore off balance sheet financing. 3. Diversify the internal source of funding.
9.	Over borrowing	L	H	M	1. Matching cash inflow to cash outflows. 2. Borrow within optimal threshold.
10.	Currency fluctuations	H	L	M	1. Hedging
11.	Infringement of Data	H	H	H	1. Impose logical and physical access controls.
12.	Loss of Data	H	H	H	2. Data encryption 3. Adoption of ISMS 4. Creating alternative back up 5. Avoid using open source applications 6. Restrict use of peripherals 7. Ensure up to date antivirus software
13.	Obsolescence of ICT infrastructure	H	H	H	1. Constant upgrading of ICT infrastructure 2. Implement the ICT policy
14.	Investing in unviable projects	H	H	H	1. Undertake Pre-implementation viability study. 2. Implement projects that are viable as per feasibility study.
15.	Cost escalation	H	H	H	1. Adopt lumpsum contracts 2. Peer review of designs and documentations

S/No.	Risk and description	Likelihood (L/H/M)	Severity (L/H/M)	Overall Risk Level (L/H/M)	Mitigation measures
					3. Monitoring of project cycle 4. Alternative contract models i.e. Design-build contracts
16.	Poor project management	H	H	H	1. Formation of multi-disciplinary Project Implementation Team 2. Engage competent contractors 3. Project specific hiring of competent clerks of works.
17.	Political interference	M	M	M	1. Lobbying the authorities for favourable interventions
18.	Litigious client	H	H	H	1. Review contract documentation. 2. Adopt alternative dispute resolutions mechanisms.
19.	Regulatory changes	L	H	M	1. Lobbying for favourable changes
20.	Inability to meet sales targets	H	H	H	1. Product review and Development based on market intelligence 2. Revise Marketing strategy

CHAPTER SEVEN: RESOURCE REQUIREMENTS AND MOBILIZATION STRATEGIES

7.0 Overview

This chapter covers financial resource requirements and the mobilization strategies thereof. Worth noting is that 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.

7.1 Financial Requirements

The financial resource requirements for implementing the strategic plan 2023-2027 is outlined per the Key Result Area in Table 7.1 below: -

Table 7.1: Financial Requirements for Implementing the Strategic Plan

Key Result Area/ Cost Area	Projected Resources Requirements (Kshs. Mn)					
	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
Housing Pillar	22,408	49,291	65,388	87,281	129,778	354,145
Financial Pillar	66.36	36.16	46.16	26.16	26.16	201
Estates Management Pillar	208.22	268.15	322.1	348.07	334.11	1,480.65
Research and innovation Pillar	0	37.25	234.25	4.25	6.25	282
Corporate Sustainability Pillar	299.97	166.37	178.17	113.97	113.97	872.45
Other Budget Items e.g. PE, Operational Costs, etc.)	834.42	882	970	1,067	1,174	4,927.42
Total	23,817	50,681	67,139	88,840	131,432	361,909

Further the table 7.2 below shows the estimated financial resource allocation and the possible surplus/deficit that will be realized in relation to the requirement.

Table 7.2: Resource Gaps

Financial Year	Estimated Financial Requirements (Kshs. Mn)	Estimated Resource Allocations (Kshs. Mn)	Variance (Kshs. Mn)
Year 1	23,817	23,822.97	6
Year 2	50,681	50,689.18	8
Year 3	67,139	67,140.68	2
Year 4	88,840	88,848.55	8
Year 5	131,432	131,472.49	40
TOTAL	361,909	361,973.62	65

7.2 Resource Mobilization Strategies

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

- a. The Corporation will develop a resource mobilization strategy to guide mobilization efforts in the plan period.
- b. NHC will engage the National Treasury to release the remainder of the Capital injection approved by the Cabinet in 2004.
- c. NHC will pursue budgetary allocation through the sector budget working groups for grants to undertake AHP projects.
- d. Management will engage financial institutions and seek approval to borrow facilities for housing construction.
- e. The Corporation will engage strategic partners including Development Financial Institutions (DFIs), developers, Counties, other State Agencies, bilateral and multilateral financiers to form partnerships and collaborations to undertake housing projects around the Country.
- f. NHC will utilize fund mobilized for housing via the Boma Yangu portal to undertake affordable housing.

The following table represents the funds required to be sourced from the various sources:

Table 7.3: Resource Mobilization

Sources	Year 1	Year 2	Year 3	Year 4	Year 5	Total Funds
	Kshs. Mn	Kshs. Mn				
Internal Funds	3,456.09	4,575.3	5,977.05	4,234.92	3,960.11	22,203.47
Bank Borrowings	1,959.38	2,681.25	2,681.25	2,681.25	2,887.5	12,890.63
Collaborations and Strategic Partnerships	2,187.5	16,749.88	16,749.88	16,749.88	17,062.38	69,499.52
GoK Equity Injection	0	781.25	781.25	781.25	781.25	3,125
GoK Grants Funding	16,220.00	21,214.00	36,263.75	59,713.75	102,093.75	235,505
Voluntary Housing Fund Contributions	0	4,687.5	4,687.5	4,687.5	4,687.5	18,750
Total	23,822.97	50,689.18	67,140.68	88,848.55	131,472.49	361,973.62

7.3 Resource Management

Management will undertake the following in implementation of the strategic plan;

- a. The maintenance costs for NHC schemes will be managed to ensure they do not exceed 15% of the target revenue.
- b. Projects will be managed efficiently to ensure they are completed on time and within budget. Thorough planning will be entrenched to ensure no variations on contract sums.
- c. Project expenditure will be matched to resources to ensure sufficient funding is available before commencement of projects.
- d. Prudent cost management will be employed with all surplus funds reserved for projects.

CHAPTER EIGHT: MONITORING, EVALUATION AND REPORTING FRAMEWORK

8.0 Overview

This chapter presents the monitoring, evaluation and reporting framework of the Strategic Plan. This will involve a systematic and continuous process of collecting and analyzing information based on the indicators, targets and provision of feedback. An implementation matrix with clear outcomes, outputs, output indicators and targets for the five-year duration plan is annexed to facilitate monitoring and evaluation (M&E) of the Plan. The results of M&E will be used to make corrective actions, improve implementation of activities and also inform future plans of the Corporation.

8.1 Monitoring Framework

Monitoring the implementation of the plan will act as an early warning system to detect potential bottlenecks and help to adjust where necessary. Monitoring will involve collecting and analyzing information relating to the various indicators in the Action implementation matrix of the strategic plan. During the plan period, the Corporation will ensure seamless, accurate and timely information on implementation. Activities that will require re-scheduling or revision of targets will be adjusted through a re-negotiated process with the top management.

8.2 Performance Standards

All Directorates will be involved in monitoring and reporting on the progress of achievement of results and objectives based on the Key Performance Indicators agreed upon and aligned to the overall indicators identified in this Strategic Plan. This will be achieved by ensuring the collection and provision of timely and accurate data during the plan period. The Directorates will be expected to generate reports on a quarterly, bi-annual and annual basis which will be submitted to the Planning, Quality and Risk Management Directorate. The Directorate will prepare and issue templates for data collection. The submitted reports will be analyzed, compiled and disseminated. The monitoring and evaluation reports generated will be shared with the Management and the Board through the reporting structure for decision-making and learning.

8.3 Evaluation Framework

Evaluation will involve a systematic and objective process of examining the level of achievement of the set outcomes or strategic goals as set out in the Outcome Performance Matrix **Annex II**. The Outcome Performance Matrix clearly defines outcome indicators, baselines and targets at the Mid Term and End Term period. Two major evaluation activities will be undertaken i.e., mid-term evaluation and end term evaluation.

8.3.1 Mid-Term Evaluation

The Corporation will conduct a mid-term evaluation of this Strategic Plan to examine the progress towards achieving the set targets. The evaluation will be spearheaded internally by the Strategic Plan Implementation Committee. This will be undertaken in the financial year 2025/2026. The recommendations of mid-term evaluation will help in making improvements to the Strategic Plan implementation process.

8.3.2 End Term Evaluation

End-term evaluation will be conducted at the end of the Strategic Plan period and the achievements, challenges, lessons learnt and recommendations will inform the next cycle of the strategic planning process in the Corporation.

8.4 Reporting Framework and Feedback Mechanism

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 Planning, Quality and Risk Management Directorate 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.

ANNEXES

ANNEX I: IMPLEMENTATION MATRIX

KEY RESULT AREA ONE (1): HOUSING

Strategy No.	Key Activities	Expected Output	Output Indicators	Target for 5 years	Y1	Y2	Y3	Y4	Y5	Responsibility	
				Budget Kshs Mn						Lead	Support
Strategic Issue: Devolution											
Strategic Goal: Improve Housing											
KRA: Housing Pillar											
Outcome: Improved Housing											
Strategic Objective One: To Contribute Towards Development of Sustainable Housing Units											
Develop or facilitate housing units under Affordable Housing Program (AHP)	Review the Housing Development Policy	Revised housing development policy	Approved policy	1	1	-	-	-	-	GM-CPM	M-PM
				0.1	0.1	-	-	-	-		
	Engage Counties and government agencies and other stakeholders to provide land for AHP	Counties and government agencies and other stakeholders engaged	No. of Counties engaged	35	7	7	7	7	7	GM-PQR M	M-PRM
				50	10	10	10	10	10		
	Parcels of land provided from Counties/State Agencies for	No. of acres	450	10	120	230	340	450	GM-PQR M	M-PRM	

Strategy No.	Key Activities	Expected Output	Output Indicators	Target for 5 years	Y1	Y2	Y3	Y4	Y5	Responsibility	
				Budget Kshs Mn						Lead	Support
		AHP									
	Carry out project feasibility studies	Feasibility studies undertaken	% of feasibility studies undertaken	100%	100	100	100	100	100	GM-PQRM	M-PM
				75	15	15	15	15	15		
	Identify and seek waivers and exemptions.	Waivers and exemptions sought	% of Waivers and exemptions granted	100%	100	100	-	-	-	MD	GM-F
				0.2	0.1	0.1	-	-	-		
	Engage Enablers to provide offsite infrastructure	Infrastructure provided by enablers	% of sites with infrastructure provided	100%	100	100	100	100	100	GM-CPM	M-PM
				5	1	1	1	1	1		
	Design and commence construction of the proposed housing units	AHP Housing units Commence	No. of Units Commence	100,000	6,200	13,000	18,000	24,800	38,000	GM-CPM	M-A
				267,742							
Develop Commercial Housing Units	Obtain title deeds for untitled NHC land	Acreage of land titled	No. of acres titled	286.74	130	60	60	36.74	-	GM-CPM	M-LSPP
				9	3.5	2.2	2.2	1.1	-		
	Carry out project feasibility	Feasibility studies undertaken	% of feasibility studies	100%	100	100	100	100	100	GM-PQRM	M-PM
				75	15	15	15	15	15		

Strategy No.	Key Activities	Expected Output	Output Indicators	Target for 5 years	Y1	Y2	Y3	Y4	Y5	Responsibility	
				Budget Kshs Mn						Lead	Support
	studies		undertaken								
	Engage development partners	MOU/Project agreements executed with partners on housing delivery	No. of MOU/Project agreements	5	1	1	1	1	1	GM-PQR M	M-PRM
				25	5	5	5	5	5		
	Engage enablers to provide offsite infrastructure	Infrastructure provided by enablers	% of sites with infrastructure provided	100%	100	100	100	100	100	GM-CPM	M-PM
				5	1	1	1	1	1		
	Design and commence construction of the proposed housing units	Commercial Housing units Commenced	No. of Units Commenced	5,000	760	1,060	1,060	1,060	1,060	GM-CPM	M-A
25,700				3,900	5,400	5,400	5,400	5,600			
Develop Student Hostel Rooms	Identify the learning institutions for partnership	Learning institutions identified	No. of institutions Identified	20	10	10	-	-	-	GM-PQR M	M-PRM
				0.1	0.05	0.05					
	Engage identified institutions	Learning Institutions engaged	No. of signed MoUs with institutions	10	2	2	2	2	2	GM-PQR M	M-PRM
				25	5	5	5	5	5		
Engage development	MOU/Project agreements	No. of MOU/Projec	10	2	2	2	2	2	GM-PQR	M-PRM	

Strategy No.	Key Activities	Expected Output	Output Indicators	Target for 5 years	Y1	Y2	Y3	Y4	Y5	Responsibility	
				Budget Kshs Mn						Lead	Support
	partners	executed with partners on hostel delivery	t agreements	25	5	5	5	5	5	M	
	Design and commence construction of the proposed student hostels rooms	Student hostels rooms commenced	No. of Rooms commenced	5,000	-	1,200	1,300	1,200	1,300	GM-CPM	M-PM
				4,200	-	1,000	1,000	1,100	1,100		
Improve project life cycle management	Monitor Project life cycle	Project monitoring undertaken	% of Projects monitored	100%	100	100	100	100	100	GM-CPM	M-PM
				100	20	20	20	20	20		
	Establish a multi-disciplinary Project Steering Committee (PSC)	Committee established	No. of Committee established	1	1					MD	GM-CPM
				0.1	0.02	0.02	0.02	0.02	0.02		
	Develop project specific implementation matrix	Project specific implementation matrix developed	% of project matrices developed	100%	100	100	100	100	100	GM-CPM	M-PM
				0.1	0.02	0.02	0.02	0.02	0.02		
Establish and operationalize	Project Management	Operational Project	1	-	1	-	-	-	GM-CPM/	M-PM	

Strategy No.	Key Activities	Expected Output	Output Indicators	Target for 5 years	Y1	Y2	Y3	Y4	Y5	Responsibility	
				Budget Kshs Mn						Lead	Support
	Project Management Department	department Established	Management Department	1	-	1	-	-	-	GM-CS	
Promote Environmental Safety and Health practices on Construction projects	Seek accreditation from certifying bodies.	Accreditation granted	No. of Accreditation certificates	3	2	1	-	-	-	MD	GM-CPM
				5	3	2	-	-	-		
	Train staff on global standards on sustainability.	Staff trained	No. of staff trained	100	50	50	-	-	-	GM-CS	M-HRMA
				2	1	1					
	Seek certification on construction projects in line with Green Building Technology	Certificate issued for each construction project	% of Construction project certified	20%	20					GM-CPM	M-PM
				10	2	2	2	2	2		
	Comply with all Environmental, Health And Safety policies, laws, regulations and guidelines on	Environmental, Health and Safety requirements complied with	Level of compliance	100%	100	100	100	100	100	GM-CPM	M-PM
				86.7	2.7	21	21	21	21		

Strategy No.	Key Activities	Expected Output	Output Indicators	Target for 5 years	Y1	Y2	Y3	Y4	Y5	Responsibility	
				Budget Kshs Mn						Lead	Support
	housing construction.										

Strategy No.	Key Activities	Expected Output	Output Indicators	Target for 5 years	Y1	Y2	Y3	Y4	Y5	Responsibility		
				Budget Kshs Mn						Lead	Support	
Strategic Issue: Availability of suitable and serviced land												
Strategic Goal: Additional NHC Prime Land Bank												
KRA: Housing Pillar												
Outcome: Access to suitable and serviced land												
Strategic Objective Two: To Increase NHC Prime Land Bank												
Land Acquisition	Develop and implement Land Banking Policy	Land Banking Policy developed	Approved land banking policy	1	-	1	-	-	-	GM-CPM	M-LSPP	
				0.1	-	0.1	-	-	-			
	Purchase land	Land Banking Policy implemented	Level of implementation	No. of acres purchased	100%	-	100	100	100	100	GM-CPM	M-LSPP
					5		1.25	1.25	1.25	1.25		
			Land purchased for internal projects		150	-	50	40	30	30	MD/GM-CPM	M-LSPP
					3,000	4	1,000	1,000	500	500		

Strategy No.	Key Activities	Expected Output	Output Indicators	Target for 5 years	Y1	Y2	Y3	Y4	Y5	Responsibility	
				Budget Kshs Mn						Lead	Support
	Mobilize for land allocation from National & County Governments and other State Agencies	Land allocated by government and other agencies for housing	No. of acres allocated	300	60	60	60	60	60	MD/GM-CPM	M-LSPP
				0.5	0.1	0.1	0.1	0.1	0.1		
Land Recovery	Carry out Land audit	Land audit undertaken	Land audit report	1	-	1	-	-	-	GM-CPM	M-LSPP
				5	-	5	-	-	-		
	Pursue ownership documents for recovered land	Ownership documents recovered	No. of acres recovered	20	-	5	5	5	5	GM-CPM	M-LSPP
				0.5	-	0.125	0.125	0.125	0.125		
	Repossess encumbered and disputed land	Parcels of land Repossessed	No. of acres Repossessed	80	-	20	20	20	20	GM-CPM/GM-LS	M-LSPP
				20	-	4	4	4	4		
Secure the recovered land	Parcels of land secured	% of parcels secured	100%	-	100	100	100	100	GM-E	M-LSPP	
			50	-	12.5	12.5	12.5	12.5			

KEY RESULT AREA TWO (2): FINANCIAL

Strategy No.	Key Activities	Expected Output	Output Indicators	Target for 5 years	Y1	Y2	Y3	Y4	Y5	Responsibility	
				Budget Kshs Mn						Lead	Support
Strategic Issue: Access to funding											
Strategic Goal: Secure funds for implementation of the strategy											
KRA: Financial Pillar											
Outcome: Available funds for implementation of the strategy											
Strategic Objective Three: To Mobilize Financial Resources											
Source for funds from internal and external sources	Raise funds from commercial institutions	Funds raised from commercial institutions	Amount of funds raised	13 Billion	2.4	3	3.2	3.2	3.2	GM-F	M-PRM
				30	6	6	6	6			
	Raise funds from collaborations and partnerships	Funds raised from collaborations and partnerships	Amount of funds raised	69.5 Billion	10.7	13.5	13.9	13.9	14	GM-F	M-PRM
				60	12	12	12	12			
	Raise funds through NHDF deposits	Funds raised through NHDF deposits	Amount of funds raised	18.7 Billion	3.3	4.1	4.2	4.2	4.2	GM-F	IA&RA
				0.5	0.1	0.1	0.1	0.1			
	Pursue allocation of development	Grants allocated by	Amount of grants	235.51 Billion	16.22	21.21	36.26	59.71	102.1	GM-F	M-PRM

Strategy No.	Key Activities	Expected Output	Output Indicators	Target for 5 years	Y1	Y2	Y3	Y4	Y5	Responsibility	
				Budget Kshs Mn						Lead	Support
	grants from GOK	GOK	allocated	5	1	1	1	1	1		
	Pursue release of approved equity injection from GOK.	Equity injection released by National Treasury	Amount of equity injection released	3.1 Billion	-	750 M	750 M	750 M	750 M	GM-F	M-PRM
				4	-	1	1	1	1		
	Pursue recovery of arrears	Cash received from arrears	Amount of cash received	2 Billion	1.3	0.4	0.3	-	-	GM-E /GM-F	M-LM
				50	30	10	10	-	-		
	Establish a Housing Finance Institution	Identify partners	Partners identified	100%	-	100	100	100	100	MD	GM-F/GM - PQR M
		Obtain approvals	Approvals obtained	100%	-	100	100	100	100		

Strategy No.	Key Activities	Expected Output	Output Indicators	Target for 5 years	Y1	Y2	Y3	Y4	Y5	Responsibility	
				Budget Kshs Mn						Lead	Support
Strategic Issue: Uncertainty in the business environment											
Strategic Goal: Improve profitability											
KRA: Financial Pillar											
Outcome: Improved profitability											
Strategic Objective Four: To Grow Annual Operating Profits by 540%											
EPS factory to breakeven by 2024/25	Streamline procurement process	Procurement process streamlined	Zero stocks out	100%	100	-	-	-	-	M-SCM	ALL
				0.1	0.1	-	-	-	-		
	Increase production capacity	Production capacity increased	% increase in production	15%	10	15	15	15	15	GM-RPDC B	M-P
				0.1	0.02	0.02	0.02	0.02	0.02		
Raise revenue through NHC products	Review Rural Loans product	Rural loans product reviewed	% of review	100%	100	-	-	-	-	GM-F	M-LM
				1	1	-	-	-	-		
	Advance Rural Loans	Rural loans advanced	Amount advanced	2.2 Billion	200 M	550 M	1 B	1.55B	2.2 B	GM-F	M-LM
				0.1	0.02	0.02	0.02	0.02	0.02		
	Advance TP loans	TP loans advanced	Amount advanced	88 Billion	3.5	24.7	45.9	67.1	88.7	GM-E	M-LM
				0.1	0.02	0.02	0.02	0.02	0.02		

Strategy No.	Key Activities	Expected Output	Output Indicators	Target for 5 years	Y1	Y2	Y3	Y4	Y5	Responsibility	
				Budget Kshs Mn						Lead	Support
	Let rental properties	Rental properties let	Rental revenue raised	2.2 B	326	393	436	491	546	GM-E	M-PM
	Sell units on outright sale	Units sold	Gains on sale	917.56 Million	15.46	226.8	226.8	226.8	221.7	GM-E	M-M
Raise revenue through consultancy services	Engage Ministries, Counties, Departments and Agencies (MCDAs) on projects development	MCDAs engaged and MOU/project agreements signed	No. of MOU/project agreements signed	5	1	1	1	1	1	GM-PQR M	M-PRM
				15	3	3	3	3	3		
	Provide Property Management Services	Property management services provided	Management fees earned	50 Million	10	10	10	10	10	MD/ GM-	M-PRM
				15	3	3	3	3	3		
Raise revenue through Professional Fees	Commence construction of scheduled projects	Construction of projects commenced	Professional Fees realized	3 Billion	400 M	650 M	650M	650 M	650 M	GM-CPM	M-PM

Strategy No.	Key Activities	Expected Output	Output Indicators	Target for 5 years	Y1	Y2	Y3	Y4	Y5	Responsibility	
				Budget Kshs Mn						Lead	Support
Minimize Costs	Develop and implement a cost management plan	Cost management plan developed	Approved cost plans	1	-	-	-	-	-	MD/GM'S	ALL
				0.1	0.1	-	-	-	-		
		Cost management plan implemented	% reduction of cost to revenue	≤60%	≤85	≤80	≤70	≤65	≤60	MD/GM'S	ALL
	Align purchases to Market price index	Purchases aligned to market price index	% of purchases aligned	100%	100	100	100	100	100	MD/GM'S	ALL
	Cost apportionment to relevant operational areas	Costs apportioned	% of apportioned costs	100%	100	100	100	100	100	GM-F	M-FA
	Enter into framework agreements with manufacturers and primary service	Framework agreements entered.	No. framework agreements signed	4	4	-	-	-	-	M-SCM	ALL
20				10	-	10	-	-			

Strategy No.	Key Activities	Expected Output	Output Indicators	Target for 5 years	Y1	Y2	Y3	Y4	Y5	Responsibility	
				Budget Kshs Mn						Lead	Support
	providers										

KEY RESULT AREA THREE (3): ESTATE MANAGEMENT

Strategy No.	Key Activities	Expected Output	Output Indicators	Target for 5 years	Y1	Y2	Y3	Y4	Y5	Responsibility	
				Budget Kshs Mn						Lead	Support
Strategic Issue: Housing Market Dynamics											
Strategic Goal: Maximize Revenues and Reduce Costs											
KRA: Estate Management											
Outcome: Improved Revenue Growth											
Strategic Objective Five: To Optimize Returns on Real Estates											
Enhance revenue generation	Collect Rent Due	Rent Collected	% of rent collection	100%	100	100	100	100	100	GM-E / GM-F	M-PM
				25	5	5	5	5	5		
	Carry out rent reviews for schemes	Rent reviews carried out	No. of schemes reviewed	15	2	13	-	-	-	GM-E	M-PM
				0.1	0.02	0.08	-	-	-		

Strategy No.	Key Activities	Expected Output	Output Indicators	Target for 5 years	Y1	Y2	Y3	Y4	Y5	Responsibility	
				Budget Kshs Mn						Lead	Support
Minimize property management cost	Review the Maintenance manual	Maintenance manual Reviewed	Manual approved	100%	100	-	-	-	-	GM-E	M-PM
				0.1	0.1	-	-	-	-		
	Carry out corrective and preventive maintenance	Corrective and preventive maintenance carried out	% of completed maintenance works	100%	100	100	100	100	100	GM-E	M-PM
				750	150	150	150	150	150		
				% reduction of maintenance cost to revenue	≤15%	19	18	17	16		
	Administration of lease and tenant purchase agreements	Rental and tenant purchase lease agreements signed	% of agreements signed	100%	100	100	100	100	100	GM-E	M-PM
16.5				3.3	3.3	3.3	3.3	3.3			
Administration of Service charge and service contracts		Service charge and service contracts administered	% of service charge collected	100%	100	100	100	100	100	GM-E / GM-F	M-PM
				2.5	0.5	0.5	0.5	0.5	0.5		
			% of service charge Audits undertaken	100%	100	-	-	-	-	GM-E / GM-F	M-PM

Strategy No.	Key Activities	Expected Output	Output Indicators	Target for 5 years	Y1	Y2	Y3	Y4	Y5	Responsibility	
				Budget Kshs Mn						Lead	Support
Enhance Property management			Level of implementation of audit recommendations	100%	100	100	100	100	100	GM-E/ GM-F	M-PM
				5	1	1	1	1	1		
			% of service contracts signed and implemented	100%	100	100	100	100	100	GM-LS/ GM-E	M-PM
				1.25	0.25	0.25	0.25	0.25	0.25		
	Payment of statutory obligations and utility bills	Statutory and utility bills paid	% of bills paid	100%	100	100	100	100	100	GM-E	M-PM
				0.1	0.02	0.02	0.02	0.02	0.02		
	Conduct Rent assessments on all Estates	Rental assessment conducted	% of rental assessments conducted	100%	100	-	100	-	100	GM-E	M-PM
				0.1	0.03	-	0.03	-	0.04		
	Refurbish Rental Schemes	Rental schemes refurbished	No. of schemes refurbished	10	-	1	3	3	3	GM-E / GM-CPM	M-PM
				250	-	25	75	75	75		
Establish property sinking and	Sinking Fund established	Amounts in the Sinking Fund	95 Million	-	20	22	25	28	GM-E	GM-F	

Strategy No.	Key Activities	Expected Output	Output Indicators	Target for 5 years	Y1	Y2	Y3	Y4	Y5	Responsibility	
				Budget Kshs Mn						Lead	Support
	maintenance funds	Maintenance Fund established	Amounts in the Maintenance Fund	95 Million	-	20	22	25	28	GM-E	GM-F
Property Valuations	Carry out property valuations	Property valuations carried out	No. of valuations done	2	1	-	-	1	-	GM-E	M-V
				40	20	-	-	20	-		
	Conduct Market Survey	Market survey conducted	% of prioritized market surveys	100%	100	100	100	100	100	GM-E	M-M
				10	2	2	2	2	2		
	Conduct Cost-In-Use Surveys and User Reaction Survey	Cost-In-Use and User reaction Survey conducted	% of Surveys	100%	100	100	100	100	100	GM-E	M-V
				5	1	1	1	1	1		
Enhance Sales and Marketing of products and services	Develop a Corporate Marketing Strategy	Corporate marketing strategy developed	Approved marketing strategy	1	1	-	-	-	-	GM-E	M-M
				5	5	-	-	-	-		
		Product specific	% of products with	100%	100	100	100	100	100	GM-E	M-M

Strategy No.	Key Activities	Expected Output	Output Indicators	Target for 5 years	Y1	Y2	Y3	Y4	Y5	Responsibility	
				Budget Kshs Mn						Lead	Support
		marketing Plan developed	a marketing plan	100	20	20	20	20	20		
	Organize Housing Exhibitions	Housing marketing exhibitions	No. of exhibitions organized	4	-	1	1	1	1	GM-E	M-M
				80	-	20	20	20	20		

KEY RESULT AREA FOUR (4): RESEARCH AND INNOVATION

Strategy No.	Key Activities	Expected Output	Output Indicators	Target for 5 years	Y1	Y2	Y3	Y4	Y5	Responsibility	
				Budget Kshs Mn						Lead	Support
Strategic Issue: Rising cost of construction and environmental issues											
Strategic Goal: Innovative housing solutions											
KRA: Research and Innovation											
Outcome: Improved Housing Solutions											
Strategic Objective Six: To make NHC the Leading Research and Innovation Center on Housing Matters											
Promote research and innovation on housing	Benchmark with global leaders in the industry	Benchmarking done	No. of benchmarking done	3	-	1	2	-	-	GM-RPD CB	M-RI
				100	-	30	70	-	-		

Strategy No.	Key Activities	Expected Output	Output Indicators	Target for 5 years	Y1	Y2	Y3	Y4	Y5	Responsibility	
				Budget Kshs Mn						Lead	Support
	Establish and equip the Research and Innovation Department	Research and Innovation department established and equipped.	Operational department	1	-	-	1	-	-	GM-RPD CB	M-RI
				100	-	-	100	-	-		
	Upgrade the Housing Resource Centre	Housing Resource Centre upgraded	Upgraded Resource Centre	1	-	1	-	-	-	GM-RPD CB	M-HR
				5	-	5	-	-	-		
	Establish and equip the Capacity Building and Technology Transfer Department.	Capacity Building and Technology Transfer Department established and equipped	Operational Department	1	-	-	1	-	-	GM-RPD CB	M-HR
				10	-	-	10	-	-		
	Subscribe to research institutions.	Research institutions Subscribed to	No. of subscriptions	10	-	1	2	3	4	GM-RPD CB	M-RI
				5	-	0.5	1	1.5	2		
	Partner with	Partnerships	No. of	2	-	-	2	-	-	GM-	M-RI

Strategy No.	Key Activities	Expected Output	Output Indicators	Target for 5 years	Y1	Y2	Y3	Y4	Y5	Responsibility	
				Budget Kshs Mn						Lead	Support
	research institutions	established	Partnerships	50	-	-	50	-	-	RPD CB/ GM- CP M	
	Undertake research on building material and technologies.	Research undertaken	No. of research	2	-	-	1	-	1	GM- RPD CB	M-RI
				4	-	-	2	-	2		
	Develop a Construction Cost Index.	Construction Cost Index developed.	No. of Cost Index Reports	8	-	2	2	2	2	GM- RPD CB	GM- CPM
				5	-	1.25	1.25	1.25	1.25		
	Develop a Housing Price Index.	Housing Price Index developed	No. of Price Index Reports	16	-	4	4	4	4	GM- RPD CB	M-V
				5	-	1.25	1.25	1.25	1.25		
	Undertake Capacity building on new innovations.	Capacity building undertaken	No of persons trained	200	-	-	-	100	100	GM- RPD CB	M-CBTT
				2	-	-	-	1	1		
	Source for	Research grants	Amount of	50	-	25	-	25	-	GM-	M-RI

Strategy No.	Key Activities	Expected Output	Output Indicators	Target for 5 years	Y1	Y2	Y3	Y4	Y5	Responsibility	
				Budget Kshs Mn						Lead	Support
	research grants	sought	grants received	Million						RPD CB	
				1	-	0.5	-	0.5	-		

KEY RESULT AREA FIVE (5): CORPORATE SUSTAINABILITY

Strategy No.	Key Activities	Expected Output	Output Indicators	Target for 5 years	Y1	Y2	Y3	Y4	Y5	Responsibility	
				Budget Kshs Mn						Lead	Support
Strategic Issue: Operational Sustainability											
Strategic Goal: Improve Organizational Sustainability and Efficiency											
KRA: Corporate Sustainability											
Outcome: Improved Organizational Sustainability and Efficiency											
Strategic Objective Seven: To Strengthen Institutional Capacity for Operational Efficiency											
Re-engineer internal business processes and systems	Install an ICT Security Management System	ICT security management system installed	Functional ICT security management system	1	1	-	-	-	-	GM-CS	M-ICT
				12	12	-	-	-	-		
	Install Property	Property management	Operational property	1	-	-	1	-	-	GM-CS / GM-E	M-ICT

Strategy No.	Key Activities	Expected Output	Output Indicators	Target for 5 years	Y1	Y2	Y3	Y4	Y5	Responsibility	
				Budget Kshs Mn						Lead	Support
	Management System	nt System installed	management system	25	-	-	25	-	-		
	Install an automated Performance Management System	Automated Performance Management System installed	Automated performance management system	1	-	-	1	-	-	GM-CS / GM.-PQRM	M-ICT
				10	-	-	10	-	-		
	Install Geographical Information System (GIS)	GIS installed	Operational GIS	1	-	1	-	-	-	GM-CS / GM.-CPM	M-ICT
				37	-	37	-	-			
	Install automated document management system	Automated Documents Management System installed	Automated Documents Management System	1	-	1	-	-	-	GM-CS	M-ICT
				15	-	15	-	-			
	Install an Automated Water Billing System	Automated water billing system Installed	Automated water billing system	1	-	-	1	-	-	GM-CS / GM-E	M-ICT
				8	-	-	8	-	-		
	Create a data	Data	Data	1	1	-	-	-	-	GM-CS	M-ICT

Strategy No.	Key Activities	Expected Output	Output Indicators	Target for 5 years	Y1	Y2	Y3	Y4	Y5	Responsibility	
				Budget Kshs Mn						Lead	Support
	recovery centre on cloud	Recovery Centre created on cloud	Recovery Centre	40	40	-	-	-	-		
	Implement new modules in the GL-Client System to make it an end-to-end system.	New modules implemented	No. of new modules	20	6	7	7	-	-	MD/ GM-CS	M-ICT
				26	8	9	9	-	-		
	Develop new mobile application functionalities	New mobile application functionalities developed	No. of functionalities added	5	1	1	1	1	1	GM-CS	M-ICT
				10	2	2	2	2	2		
	Upscale the use of Bulk SMS Application	use of Bulk SMS Application upscaled	%increase in number of clients reached	100%	25	50	100	-	-	GM-PQRM / GM-CS	M-ICT
				15	3	3	3	3	3		
	Install Customer	Customer relationship	CRM system	1	-	-	1	-	-	GM-CS	M-ICT

Strategy No.	Key Activities	Expected Output	Output Indicators	Target for 5 years	Y1	Y2	Y3	Y4	Y5	Responsibility		
										Lead	Support	
				Budget Kshs Mn								
	Relationship Management (CRM) System	p management system installed		8	-	-	8	-	-			
	Upscale website functionalities	Website functionalities upscaled	Revamped website	1	1	-	-	-	-	GM-CS	M-ICT	
				5	5	-	-	-	-			
	Install Building Information Modelling (BIM)	BIM installed	Functional BIM	1	1	-	-	-	-	GM-CS / GM-CPM	M-ICT	
				51	51							
	Continual improvement of ISO Management Systems.	ISO management systems improved	Re-certification	2	-	-	1	-	1	GM-PQRM	ALL	
				12	-	-	6	-	6			
		ISO-ISMS complied with	ISO-ISMS certification		1	1	-	-	-	-	GM-CS	M-ICT
					3	3	-	-	-	-		
			Re-	1	-	-	-	1	-	GM-CS	M-ICT	

Strategy No.	Key Activities	Expected Output	Output Indicators	Target for 5 years	Y1	Y2	Y3	Y4	Y5	Responsibility	
				Budget Kshs Mn						Lead	Support
			certification	6	-			6			
	Develop Business Continuity Management	Business Continuity management developed	Approved BCM	1	-	1	-	-	-	GM-PQRM	M-PPM
				10	-	10	-	-	-		
	Review existing products.	Products reviewed	% of existing products reviewed	100%	50	80	100	-	-	GM-E/GM-RPDCB	M-M/M-P
				1	0.5	0.3	0.2	-	-		
			Product manual	1	1	-	-	-	-	GM-E/GM-RPDCB	M-M/M-P
				1	1	-	-	-	-		
	Develop new products	New products developed	No. of new products	3	-	-	1	1	1	GM-E/GM-RPDCB	M-M/M-P
				4	-	1	1	1	1		
Enhance Corporate Brand and Image	Review Corporate Brand	Corporate brand reviewed	% of brand elements reviewed	100%	100	-	-	-	-	GM-CS	ALL
				95	95	-	-	-	-		
	Review the	Corporate	Approved	1	1	-	-	-	-	GM-CS	ALL

Strategy No.	Key Activities	Expected Output	Output Indicators	Target for 5 years	Y1	Y2	Y3	Y4	Y5	Responsibility	
										Lead	Support
				Budget Kshs Mn							
	Corporate Communication Strategy.	Communication strategy reviewed	strategy	0.1	0.1	-	-	-	-		
	Establish Diaspora linkages	Diaspora linkages established	No. of fora attended	10	2	2	2	2	2	GM-CS	ALL
				25	5	5	5	5	5		
	Review the Citizens Service Delivery Charter	Citizens Service Delivery Charter reviewed	Reviewed charter	1	-	-	1	-	-	GM-CS	ALL
				1	-	-	1	-	-		
	Review the Corporate Social Responsibility Policy	Corporate Social Responsibility Policy reviewed	Approved Policy	1	1	-	-	-	-	GM-CS	ALL
				0.1	0.1	-	-	-	-		
	Participate in CSR activities	CSR activities participated in	No. of CSR activities	10	2	2	2	2	2	GM-CS	ALL
				10	2	2	2	2	2		
	Undertake continuous	Stakeholders	List of stakeholders	1	1					GM-PQRM	GM-CS/M-

Strategy No.	Key Activities	Expected Output	Output Indicators	Target for 5 years	Y1	Y2	Y3	Y4	Y5	Responsibility	
				Budget Kshs Mn						Lead	Support
	stakeholder identification and mapping	identified		0.5	0.1	0.1	0.1	0.1	0.1		SCM
	Implement the stakeholder satisfaction survey recommendations for 2022/23	Survey recommendations implemented	% of recommendations implemented	100%	100	100	-	100	100	GM-PQRM	ALL
				4	1	1	-	1	1		
	Undertake stakeholder satisfaction survey	Stakeholder satisfaction survey undertaken	Satisfaction index	80%	-	-	80	-	-	GM-PQRM	GM-CS/M-SCM
				2	-	-	2	-	-		
Enhance Corporate Governance	Train Board and staff on Corporate Governance	Board and staff trained	% of trained staff and Board	100%	100	100	100	100	100	MD	CS
				5	1	1	1	1	1		
	Carry out a governance audit	Governance audit carried out	Governance Audit report	5	1	1	1	1	1	MD	CS
				15	3	3	3	3	3		
	Implement findings of the	governance audit	% of recommendations	100%	100	100	100	100	100	MD	CS

Strategy No.	Key Activities	Expected Output	Output Indicators	Target for 5 years	Y1	Y2	Y3	Y4	Y5	Responsibility	
				Budget Kshs Mn						Lead	Support
	governance audit	findings implemented	tions implemented	15	3	3	3	3	3		
	Review Enterprise Risk Management (ERM)	Enterprise Risk Management (ERM) reviewed	Approved ERM	1	-	1	-	-	-	GM-PQRM	ALL
				0.1	-	0.1	-	-	-		
	Sensitize staff on National Cohesion and Values	Staff sensitized on National Cohesion and Values	% of staff sensitized.	100%	100	100	100	100	100	GM-CS	ALL
				0.2	0.04	0.04	0.04	0.04	0.04		
	Enhance the human resource capacity of the Corporation	Undertake recruitment	Recruitment undertaken	No. of staff recruited	200	75	75	30	10	10	GM-CS
140					14	14	28	42	42		
Carry out Training and Development		Staff training carried out	% of staff trained	100%	100	100	100	100	100	GM-CS	M-HRMA
				125	25	25	25	25	25		
Carry out performance		Appraisals carried out	% of staff appraised	100%	100	100	100	100	100	GM-CS	M-HRMA

Strategy No.	Key Activities	Expected Output	Output Indicators	Target for 5 years	Y1	Y2	Y3	Y4	Y5	Responsibility		
				Budget Kshs Mn						Lead	Support	
	appraisals			0.05	0.01	0.01	0.01	0.01	0.01			
	Adoption of the GOK HR management system	GOKHR Management system adopted	Operational HR system	1	-	1	-	-	-	GM-CS	M-HRMA	
				10	-	10	-	-	-			
	Undertake a culture change program	Culture change program undertaken	Culture audit report	1	1	-	-	-	-	GM-CS	M-HRMA	
				4	4	-	-	-	-			
			Culture change strategy	1	1	-	-	-	-	GM-CS	M-HRMA	
				1	1	-	-	-	-			
			% of recommendations implemented	100%	100	100	100	100	100	100	GM-CS	M-HRMA
				20	4	4	4	4	4			
	Carry out continuous staff sensitization on the Strategic Plan	Staff sensitized on strategic plan	% of staff sensitized	100%	100	100	100	100	100	GM-PQRM	M-HRMA	
				0.1	0.02	0.02	0.02	0.02	0.02			

Strategy No.	Key Activities	Expected Output	Output Indicators	Target for 5 years	Y1	Y2	Y3	Y4	Y5	Responsibility		
				Budget Kshs Mn						Lead	Support	
	Develop and implement a Productivity Framework	Productivity framework developed	Approved framework	1	1	-	-	-	-	GM-CS	M-HRMA	
				0.1	0.1							
		Productivity framework implemented	% of staff sensitized	100%	100	100	100	100	100	100	GM-CS	M-HRMA
				2.5	0.5	0.5	0.5	0.5	0.5			
		Productivity index	1.2 - 1.5	0.6 – 0.9	0.6 – 0.9	0.9 – 1.2	0.9 – 1.2	1.2 - 1.5	GM-PQRM	ALL		
			5	1	1	1	1	1				
	Enhance employee Welfare	Welfare policy developed	Welfare Policy	1	1	-	-	-	-	GM-CS	M-HRMA	
				0.1	0.1	-	-	-	-			
		Employee Welfare Assistance Programs developed	No. of new programs	3	-	1	2	-	-	GM-CS	M-HRMA	
				16	-	5	11	-	-			
Gymnasium for		Operational Gym	1	-	1	-	-	-	GM-CS/	GM-CPM		

Strategy No.	Key Activities	Expected Output	Output Indicators	Target for 5 years	Y1	Y2	Y3	Y4	Y5	Responsibility	
				Budget Kshs Mn						Lead	Support
		employees established		5		5	-			GM-E	
	Develop a HR Plan	HR Plan Developed	Approved HR plan	1	1	-	-	-	-	GM-CS	M-HRMA
				0.1	0.1	-	-	-	-		
	Implement audit recommendation on compliance with the OSH Act	OSH audit recommendations implemented	% of implementation	100%	100	100	100	100	100	GM-CS	M-HRMA
				10	2	2	2	2	2		
	Carry out audit on compliance with the OSH Act	Audit carried out	No. of audits	5	1	1	1	1	1	GM-CS	M-HRMA
				4	0.8	0.8	0.8	0.8	0.8		
	Undertake Team Building sessions	Team Building sessions conducted	No. of Team Building sessions held	5	1	1	1	1	1	GM-CS	M-HRMA
				50	10	10	10	10	10		
	Carry out Employee	Employee satisfaction	Employee Satisfaction	60%	56	-	65	-	70	GM-CS	M-HRMA

Strategy No.	Key Activities	Expected Output	Output Indicators	Target for 5 years	Y1	Y2	Y3	Y4	Y5	Responsibility	
				Budget Kshs Mn						Lead	Support
	satisfaction survey	survey carried out	Index	4.5	1.5	-	1.5	-	1.5		
	Implement recommendations of the Employee satisfaction survey	Survey recommendations implemented	Level of implementation	100%	100	100	100	100	100	GM-CS	M-HRMA
				3	-	1.5	-	1.5	-		

ANNEX II: OUTCOME PERFORMANCE MATRIX

Key Area	Result	Outcome	Key Performance Indicator	Baseline		Target	
				Value	Year	Mid-Term	End of Plan
Housing	Improved housing	No. of AHP Housing Units commenced	-	-	37,200	100,000	
		No. of Commercial Housing Units commenced	550	2022/23	2,500	5,000	
		No. of student hostels Rooms commenced	-	-	2,500	5,000	
	Timely and cost effective delivery of construction projects	Projects completed within time	-	-	100%	100%	
		Projects completed within cost	-	-	100%	100%	
	Efficiency in energy and water utilization	% of projects certified	-	-	10%	20%	
	Additional NHC Prime land bank	No. of acres	662	2022/23	300	550	
Financial	Funds available to implement the strategy	Funds mobilized	7.1 Billion	2022/23	141 Billion	362 Billion	
	Improved revenue	Growth in revenue	1.7 Billion	2022/23	3.8 Billion	5 Billion	
	Improved profitability	Growth in profits	78	2021/22	250 Million	500 Million	

Key Area	Result	Outcome	Key Performance Indicator	Baseline		Target	
				Value	Year	Mid-Term	End of Plan
				Million		(220%)	(540%)
		Reduction in operational cost to revenue	% reduction of cost to revenue	90%	2022/23	70%	60%
Estate Management		Full occupancy	% of occupancy	90%	2022/23	100%	100%
		Enhanced sales	No. of units sold	192	2022/23	17,000	34,000
Research And Innovation		Innovative housing solutions	No. of researches undertaken	-	-	1	2
Corporate Sustainability		Improved stakeholder satisfaction	Stakeholder satisfaction index	73%	2021/22	N/A	80%
		Improved employee satisfaction	Employee Satisfaction index	55%	2021/22	65%	70%
		Improved productivity	Productivity index	0.382	2021/22	0.9 - 1.2	1.2 - 1.5

ANNEX III: STRATEGIC PLAN DEVELOPMENT TEAM

NHC Team

QS. David Mathu	- Managing Director
Mr. Joel Gatune	- General Manager Finance
Mr. John Agutu	- General Manager Estate
Mr. Thomas Ofwa	- General Manager Technical
Mr. Edwin Njeru	- Internal Audit Manager
Mr. Robert Ambuku	- Chief Quantity Surveyor
Mr. William Keitany	- Corporation Secretary and Head of Legal
Mr. Ken Mochire	- ICT Manager
Ms. Jackline Karuri	- Corporate Communication Officer
Mr. Daniel Gitau	- Ag. Human Resources Manager and Administration
Mr. Phillip Bett	- Ag. Resource Mobilization Manager
Mr. Antonthy Omtata	- Ag. Business Liaison Manager
Ms Moraa Ongeri	- Ag. Corporate Planning Manager
Ms. Anne Saruni	- Ag. Chief Estate Officer
Mr. Mark Omondi	- Ag. Senior Procurement Officer (Exited March 2023)
Mr. Solomon Gichuhi	- Ag. Senior Procurement Officer (Redeployed April 2023)
Mr. Barnsley Shinoko	- Business Development

KSG Consultancy

Mr. Hussein Roba	- Head of Centre Consultancy Services
Ms. Anne Mungai	- Lead Consultant
Ms. Jael Shihachi	- Research Specialist

EFFECTIVE DATE OF STRATEGIC PLAN

APPROVED by the Board on thisDay of
Two Thousand and Twenty-Three

SIGNED Date

MANAGING DIRECTOR

SIGNED Date

CHAIRMAN OF THE BOARD