

Double jeopardy: The high costs of living in Nairobi's slums

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Credit: University at Buffalo

Tenants in the slums of Nairobi, Kenya, receive drastically inferior household services and pay more rent compared to those in its formal settlements, according to new research from the University at Buffalo School of Management.

Forthcoming in World Development, the study found that the households in Nairobi's slum areas face significant gaps in public services. In the case of basic services like water, toilet and public sewage disposal, the gaps are as high as 40 percent to 50 percent. In addition, these residents pay about 16 percent more than their formal area counterparts, when adjusted for housing quality conditions.



"Around a billion people worldwide currently reside in <u>urban slums</u> under deplorable conditions," says study author Debabrata Talukdar, Ph.D., professor of marketing in the UB School of Management.

"People living in Kenyan slums face depraved living conditions and a rental housing market that is highly exploitative of its tenants."

Talukdar analyzed nearly 1,200 responses from households in the slums and formal areas of Nairobi to conduct a systematic empirical analysis of the market conditions faced by residents in both <u>areas</u>.

He says that the double-jeopardy situation could be solved with significant public financing to increase the amount of housing and improve infrastructure, but that solution is impractical based on the current capabilities of a developing country like Kenya.

"The more pragmatic approach relies on combined public and private investments for policy initiatives that would be beneficial to both parties," says Talukdar. "Specific initiatives could include formalizing tenancy rights, slum upgrading or redevelopment, or regulatory liberalizations in the housing sector."

Provided by University at Buffalo

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