

**FACTORS INFLUENCING ACCESSIBILITY OF HOUSING LOANS AMONG
PUBLIC PRIMARY SCHOOL TEACHERS
IN TURKANA COUNTY, KENYA**

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ABSTRACT

The housing delivery systems in the country is as a result of a combination of many integrated components which include land, building materials, infrastructure, policies, building regulations and more importantly finance. The objectives of the study were to find out how the remuneration, bank interest rates, collateral and political environment influences public primary school teachers access to housing loans in Turkana County. The study was carried out in Turkana County that has six-sub counties: Turkana Central, Turkana North, Turkana South, Turkana East, Turkana West and, Loima. The study adopted descriptive research design. The study population comprised of 1272 public Primary schoolteachers working within the six sub-counties of Turkana County. The study used both stratified sampling design and simple random sampling design to select a sample size of 304 teachers. The findings obtained show that the strongest factor associated with the access to housing loans finance is the remuneration as shown by a Pearson correlation value (r) of 0.621, $p < 0.05$. Most banks were reluctant in advancing credit to teachers with low remuneration than those with high remuneration since low income level increases the chances of defaulting in repayment. The next important factors were political environment ($r = 0.568$, $p < 0.05$) and collateral ($r = 0.527$, $p < 0.05$). This was due to the fact that lack of collateral made it hard for teachers to obtain loans since they could not provide security for them. Insecurity and lack of certainty in the political environment also scared banks from advancing the housing loans to the teachers. The least strongest factor was bank interest rates ($r = 0.427$, $p < 0.05$). In this regard, the majority of housing loans applicants advocated for the fixed rates that can be predetermined. Based on the findings of the study it is recommended that the government should put in place mechanisms for improving the pay of teachers so as to make them able to access housing loans. Financial institutions should also come up with loan products that teachers with low pay can afford. For further study, it is recommended that, studies can be conducted on factors that affects accessibility of general loans among teachers in the areas for comparison purposes. Similar studies should also be carried out in counties with high urban populations such as Nairobi City, Mombasa and Kisumu to find out the differences between access to housing loans between teachers in rural areas and those in urban areas.