



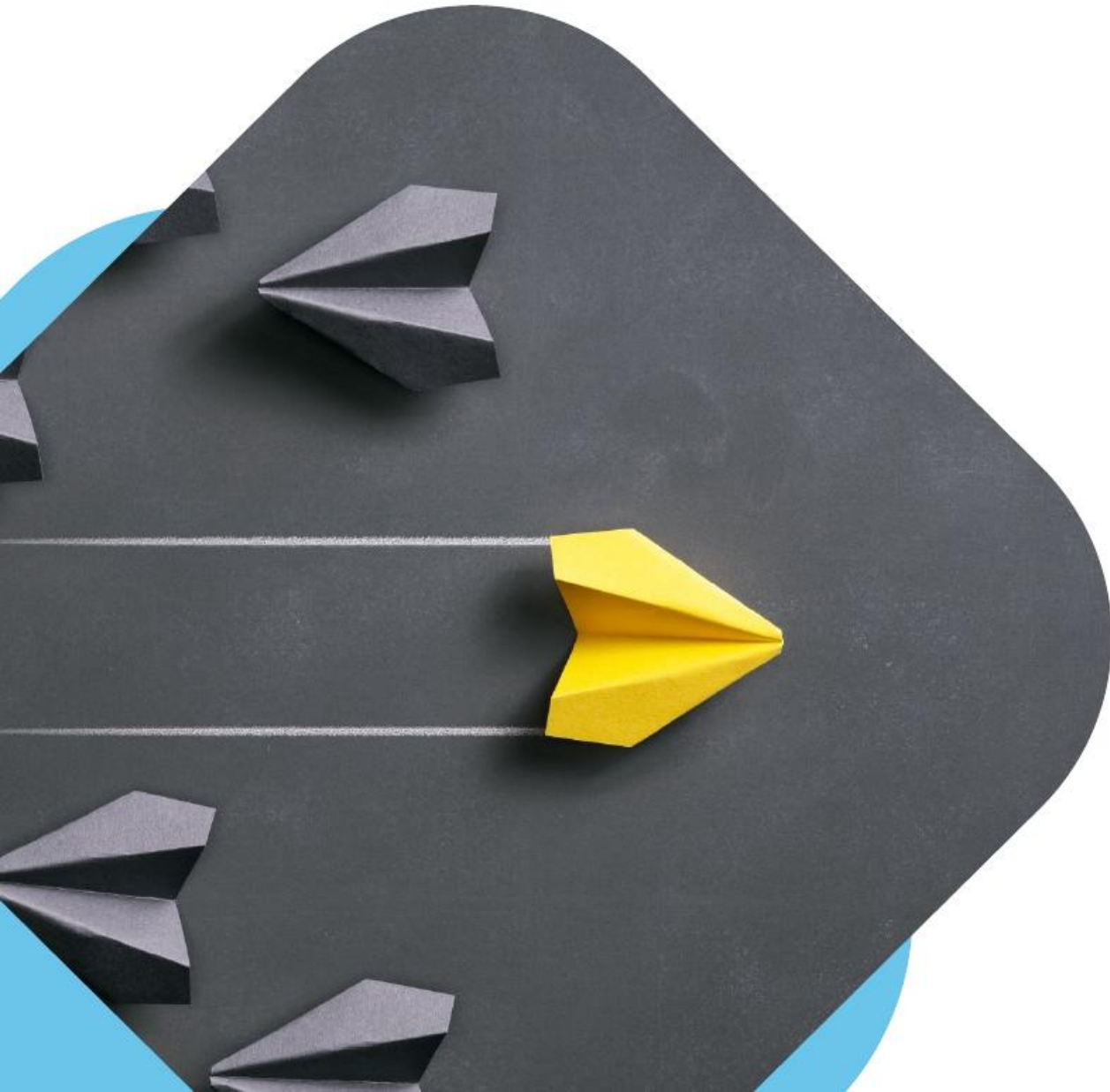
# De-Risking Demand:

How Structured Waitlists and  
Guarantee  
Frameworks Unlock Cooperative  
Housing Finance

March 18<sup>th</sup> 2026 – Webinar



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# The Kenya Cooperative Sector Reality



## Kenya Nation Cooperative Statistics

**2,500**

Housing and Investment  
Cooperatives

**14M**

Total Cooperative  
Members

**25%**

**USD 1 Billion**  
Loans Distributed by  
Saccos is for housing  
and land

**33%**

**(4.6M)**  
Are in Urban Areas

**72%**

**(3.3M)**  
Do not own a  
home



**250K**

Total Cooperative  
Members

**902**

Total Cooperatives

# The Nature of Housing Cooperatives

## Advantages:

- Highly trusted, tightly knit, community-based entities – built in trust and social accountability
- Member ownership and incentive alignment
- Many cooperatives jointly own development ready land
- Efficient network for program delivery

## Opportunities:

- Standardization of onboarding criteria across many unique forms, and processes
- Digital enablement for operational efficiency
- Providing members a more structured pathway to housing readiness

## Typologies:

1. Land Owning Development Cooperatives
2. Mature Cooperatives with Existing Housing Beneficiaries
3. Investment Oriented Cooperatives
4. Early-Stage or Low-Income Savings Cooperatives
5. Individual-Savings Housing Groups
6. Purpose Drive / Specialized

# NACHU's role

- **Mobilisation and enrolment:** targeting cooperatives, convening onboarding sessions, and supporting member engagement.
- **Local credibility and trust:** reducing friction and suspicion during onboarding and tier progression.
- **Training-of-trainers:** equipping cooperative champions to support assisted onboarding and readiness progression.
- **Grievance and fairness support:** acting as a first-line channel for complaints and appeals routing, without controlling Tier 8 decisions.
- **Governance participation:** contributing to oversight structures and ensuring member protection principles are upheld.



## **Trusted cooperative intermediary**

Supports onboarding, readiness progression, and member protection without owning Tier 8 allocation decisions.

# The Housing Challenge

**2M+**

Unit housing  
deficit in Kenya

**80%**

Cannot afford  
current supply

**<2%**

Mortgage  
penetration

*The bottleneck is not demand. It is the absence of credible, verified off-take that would give developers and financiers confidence to build.*

**Developers cannot raise debt or equity without a credible off-take arrangement**

# Why Current Approaches Fail

## 1 No verified demand

Interest lists are not binding commitments; developers cannot underwrite against them

## 2 Affordability mismatch

Units priced above what target households can pay, leading to low uptake

## 3 No deposit readiness

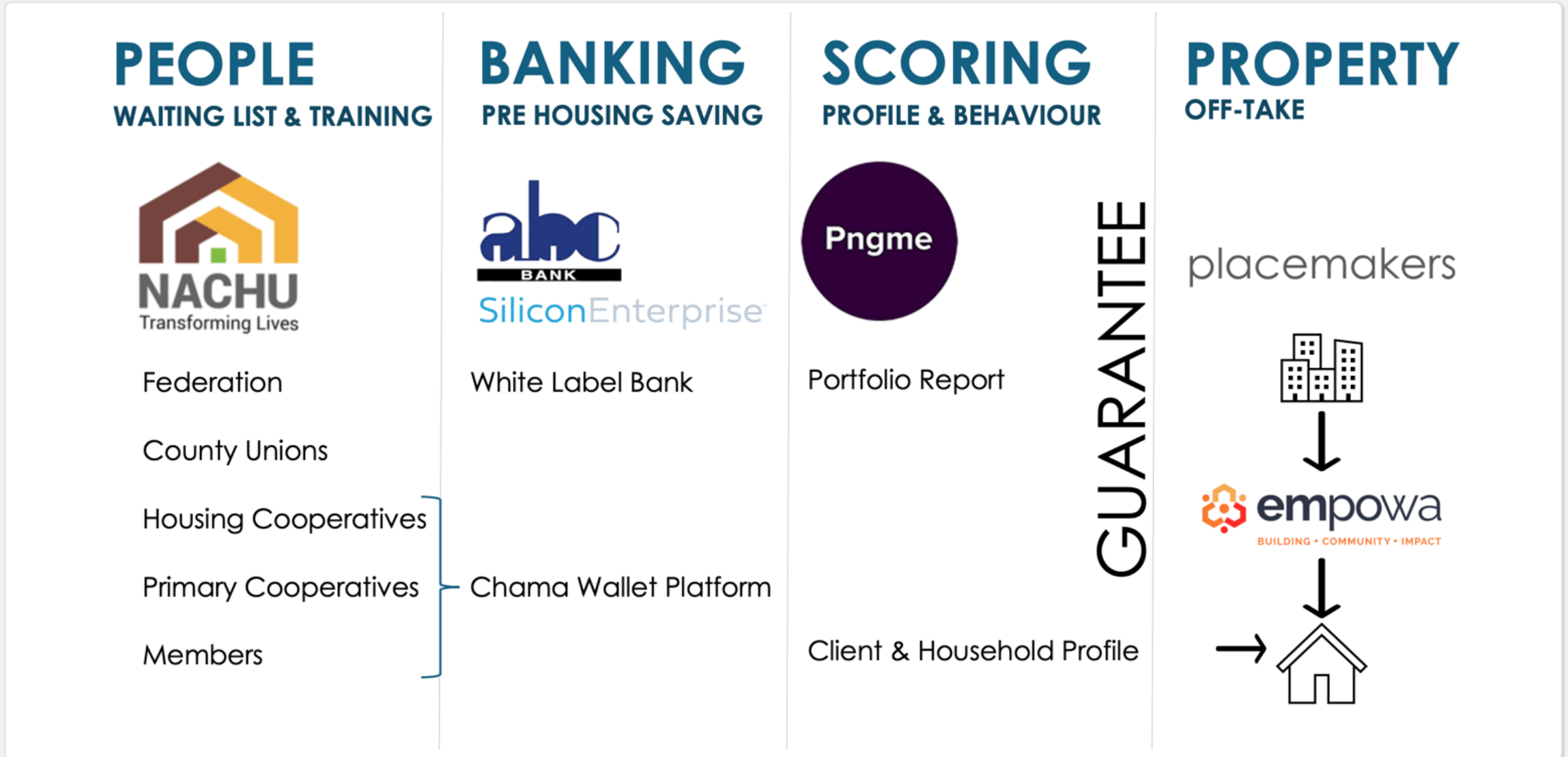
Households lack savings discipline; deposits come late or not at all

## 4 Off-taker risk is unpriced

Vacancy and default risk falls entirely on the developer, blocking finance

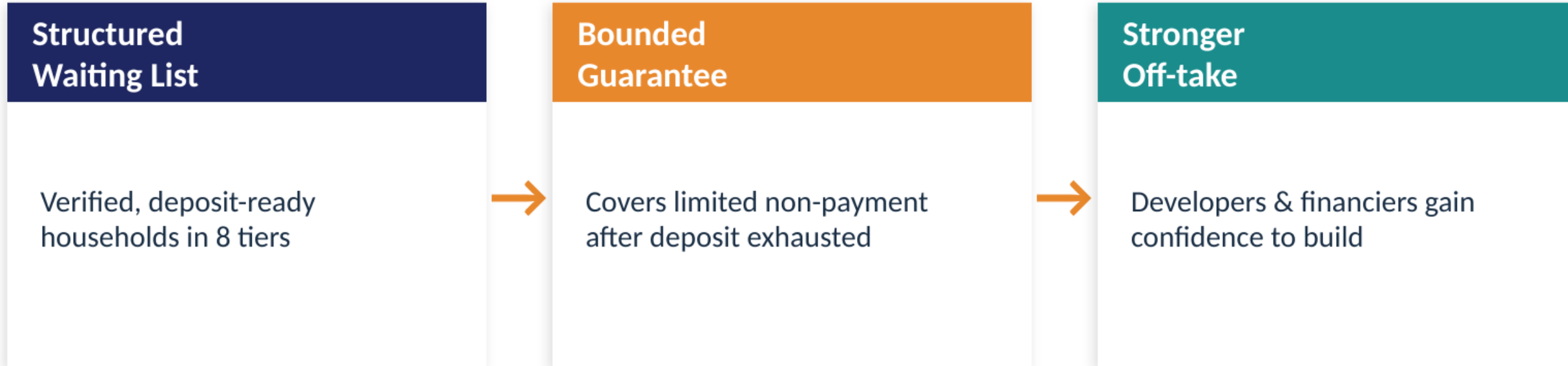
**Result: a coordination failure where each party waits for the other to move first**

# Operating model: people, banking, scoring and property



# The Solution: THWG

## Tenant Housing Waiting-list Guarantee

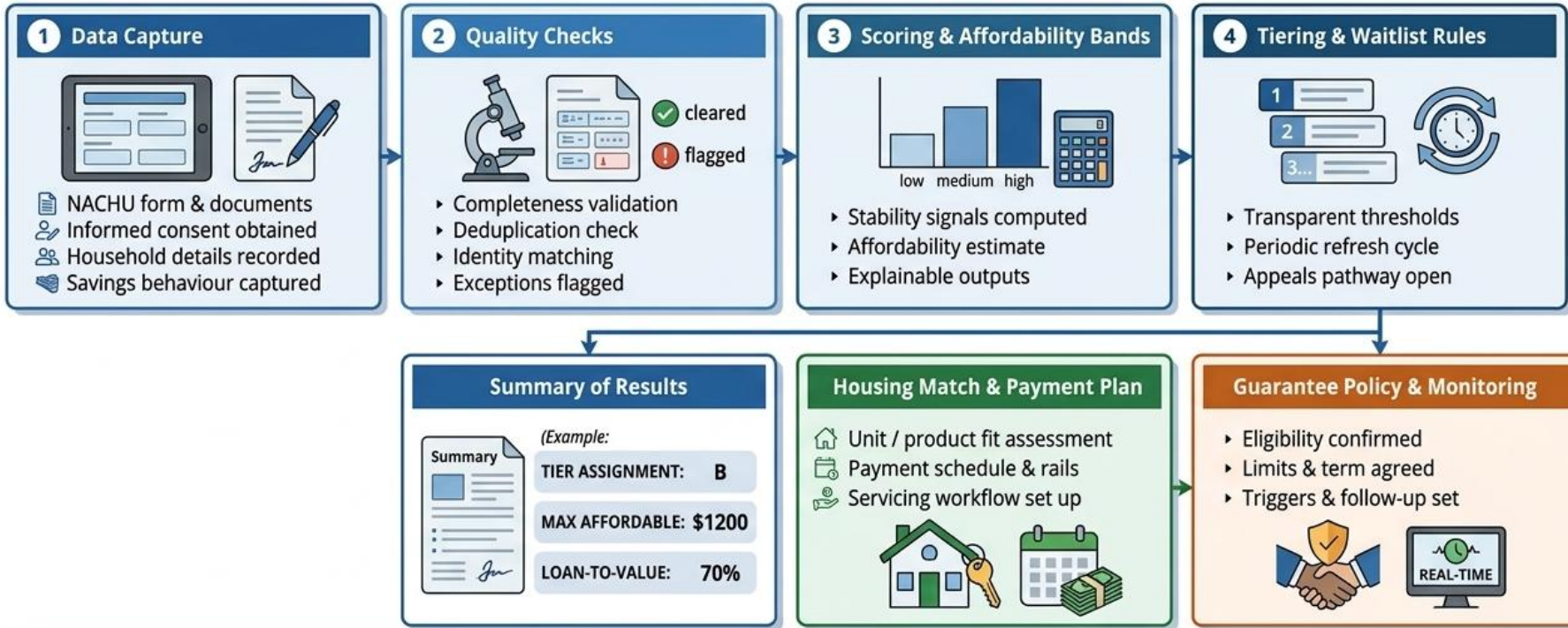


**Outcome: developers can raise debt and equity to build affordable housing**

# Data-to-decision chain for fairness and auditability

## Data-to-Decision Chain — Minimum Controls for Fairness and Auditability

A simplified view: one main flow, minimal connectors, and safeguards that apply at every step.

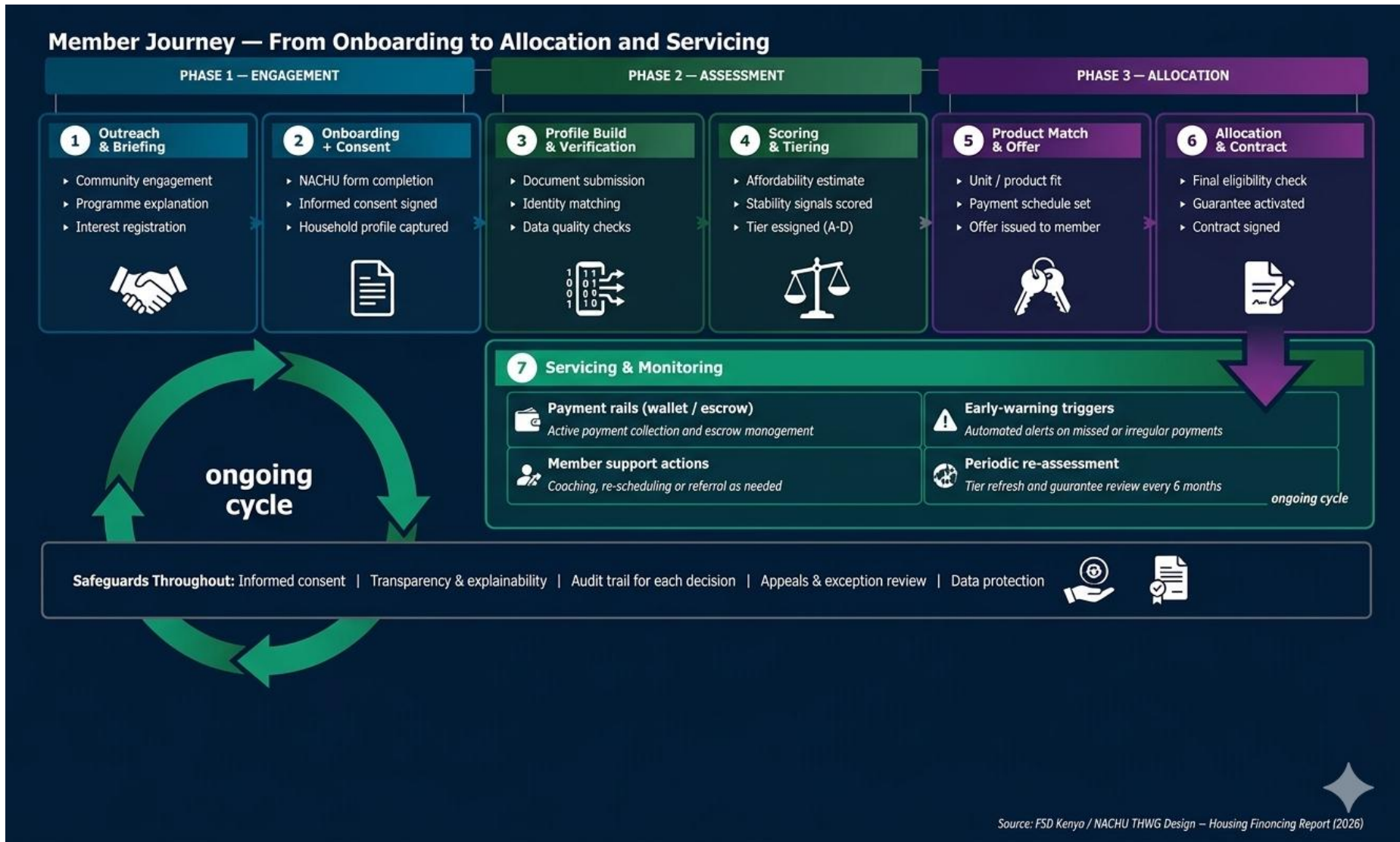


### Safeguards That Apply Throughout



Source: ASD Kenya / PACHU HYPG Design – Housing Financing Report (2026)

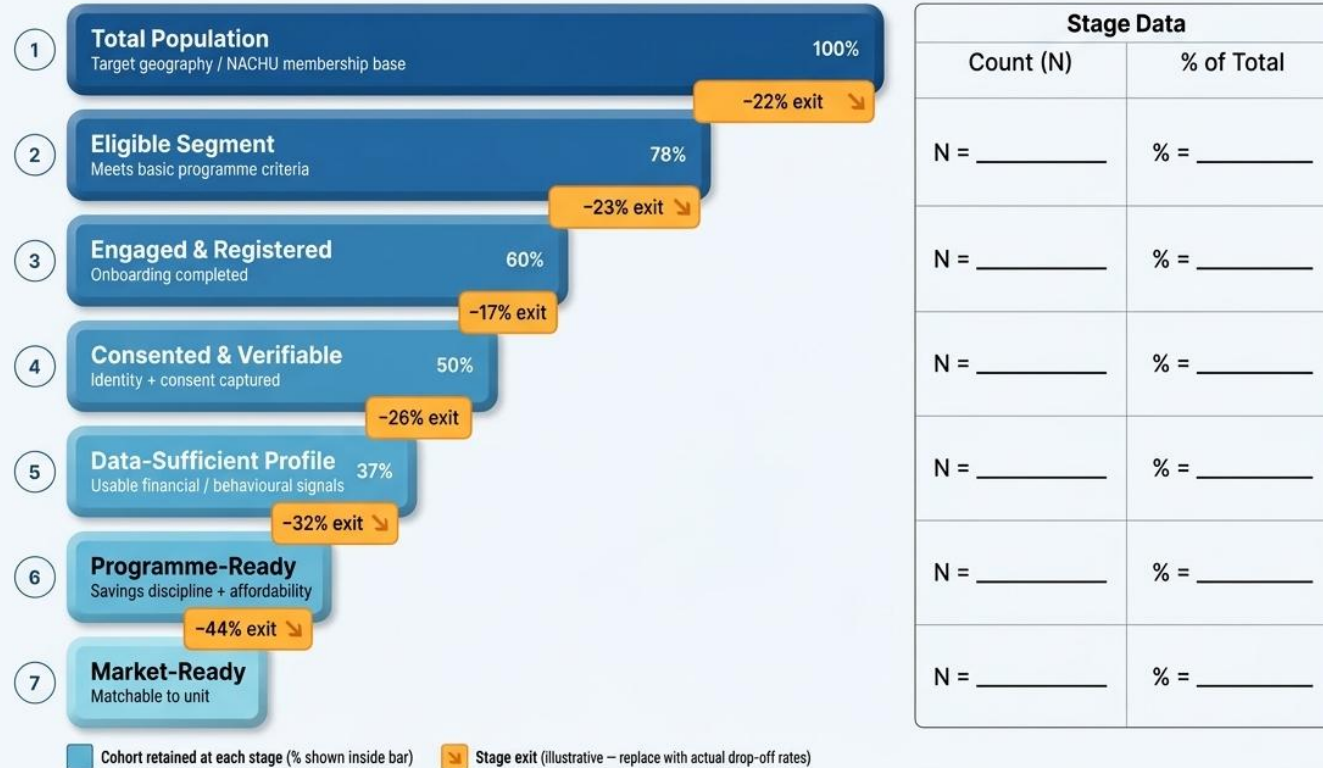
# Member journey from onboarding to allocation and servicing



# Attrition funnel from population to market-ready households

## Attrition Funnel — From Total Population to Market-Ready Households

Illustrative proportions shown — replace amber exit rates and right-hand counts with actual data from Sections 4.6–4.8.



### Notes

- (i) Use exact segment definitions from Sections 4.6-4.8 when populating each stage.
- (ii) Amber exit bars show illustrative proportions only — replace with actual counts (N) and drop-off rates from pilot data.
- (iii) If Chapter 4 distinguishes 'match-ready' versus 'allocated', add an extra final stage for allocation / contract signing.
- (iv) Attrition reasons (e.g. data, gaps, income thresholds not met) can be annotated within exit zones once available.

- (iii) If Chapter 4 distinguishes, add an extra, visually similar 8th stage box for consumer extra transition stage for: allocation / contract signing.

8 Allocation / Contract Signing  
Allocation / contract signing

Source: KIPP / KCH / THMG Design - Housing Attrition Study. 2026

# Affordable housing typologies – size and price bands

## Illustrative Affordable Housing Typologies – Size and Price Bands

Illustrative affordable housing typologies – size and price bands



**Key:**  
 The argance value = 1.50m  
 ◆ Colow-graded 2.25m is rappel: to.  
 ◆ Mid-unit price in orchourio  
 ◆ Dimensiond vector edges

**How to interpret:**  
 These are expected payout magnitudes under disciplined operations.  
 Liquidity reserves are gouts to handle clustering and timing risk.

Source: Empece THWG Financial Model – Illustrative projections only

FSD Africa / Empece

# Deposit requirements by monthly saving / repayment capacity

## Deposit Requirements by Monthly Saving / Repayment Capacity — 25-Year Structure

$F = \text{Monthly Capacity} \times 100 + 3 = \text{Monthly Ping} + \text{Monthly Ping}$

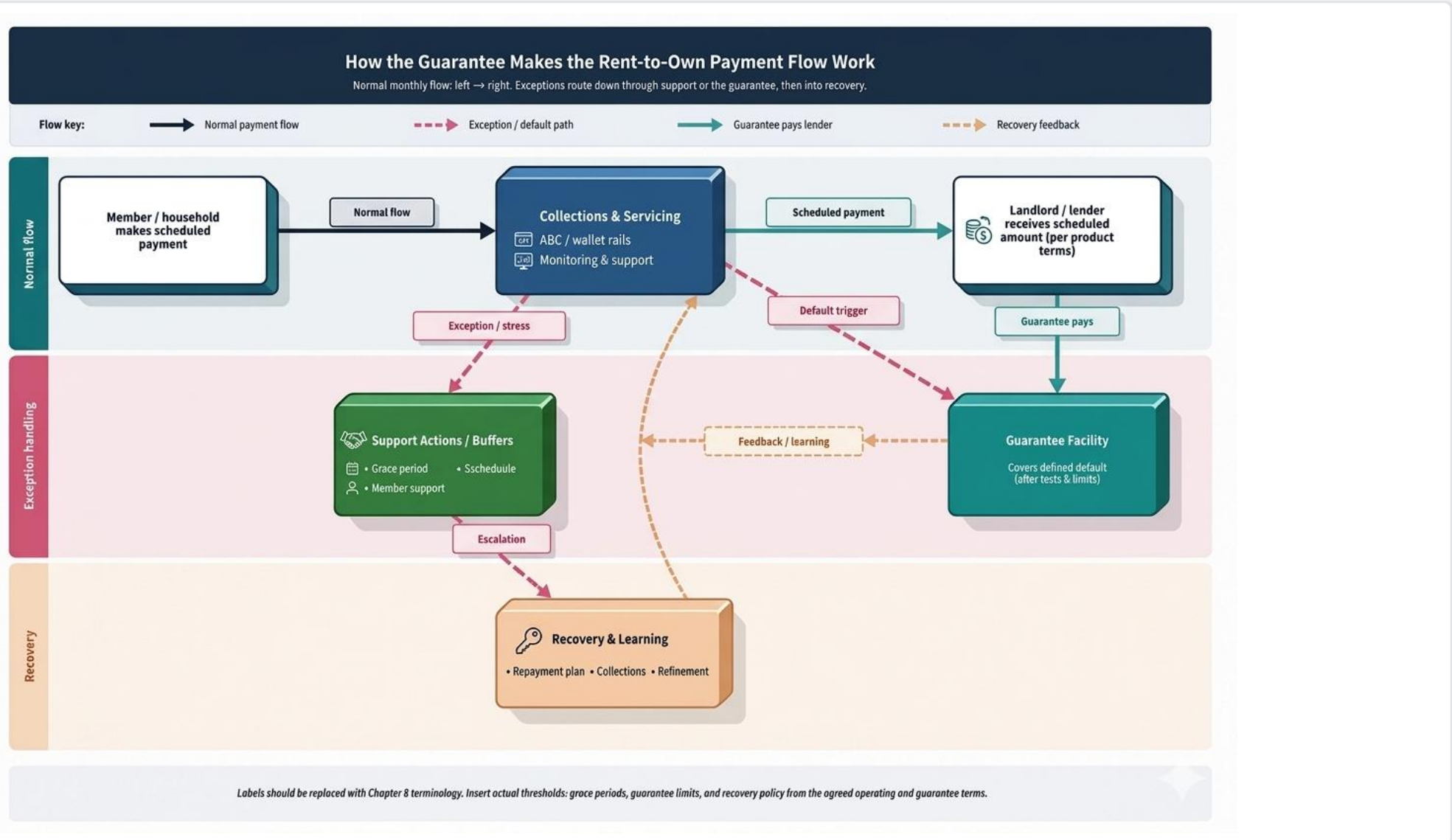
Type/legy (mid-case U)	KES 5,000 / month	KES 7,500 / month	KES 10,000 / month	KES 12,500 / month	KES 15,000 / month	KES 20,000 / month	KES 25,000 / month	KES 30,000 / month	KES 35,000 / month	KES 40,000 / month	KES 45,000 / month	KES 50,000 / month	KES 60,000 / month
Financed Deposit F (Monthly × 158)	F = 990k KES 580,000	F = 750k KES 750,000	F = 1.00m KES 300,000	F = 1.25m KES 1,200,000	F = 1.50m KES 1,300,000	F = 1.30m KES 2,200,000	F = 2.38m KES 2,340,000	F = 2.50m KES 3,300,000	F = 2.00m KES 3,200,000	F = 4.00m KES 4,300,000	F = 4.30m KES 4,300,000	F = 4.30m KES 4,300,000	F = 6.00m KES 6,000,000
<b>Studio</b> U = KES 1,500m	67% KES 1,500m	50% KES 750k	33% KES 500k	17%	No deposit required	No deposit required	No deposit required	No deposit required	No deposit required	No deposit required	No deposit required	No deposit required	No deposit required
<b>1-Bedroom</b> U = KES 1,700m	78% KES 1.70m	67% KES 1.52m	56% KES 1.27m	45% KES 1.82m	34% KES 1.29k	12% KES 299k	No deposit required	No deposit required	No deposit required	No deposit required	No deposit required	No deposit required	No deposit required
<b>2-Bedroom</b> U = KES 3,400m	86% KES 3.10m	79% KES 3.10m	72% KES 2.60m	65% KES 2.35m	55% KES 2.25m	44% KES 1.10m	31% KES 1.10m	17% KES 600k	3% KES 100k	No deposit required	No deposit required	No deposit required	No deposit required
<b>3-Bedroom</b> U = KES 5,110m	90% KES 4.62M	85% KES 4.33M	85% KES 4.12M	76% KES 2.97M	71% KES 3.16M	61% KES 3.12M	51% KES 2.32M	41% KES 2.32M	32% KES 1.42M	22% KES 1.12M	12% KES 61k	2% KES 10k	No deposit required
<b>4-Bedroom</b> U = KES 77.00m	93% KES 6.53M	89% KES 6.34M	86% KES 6.09M	82% KES 5.34M	72% KES 5.29M	72% KES 5.39M	65% KES 4.55M	58% KES 4.59M	51% KES 3.55M	44% KES 3.99M	37% KES 2.5PM	29% KES 2.09M	15% KES 1.09M

**Deposit band key:** ● No deposit required (1 Unit Price) ● 0 - 20% Accessible ● 20 - 33% Standard ● 33 - 50% High ● 50 - 67% Very High ● 67++ Extreme

$F = \text{Monthly Capacity} \times 300 \text{ nns} \times 3.0$  |  $F = \text{Monthly Capacity} \times 100$  |  $\text{Deposit} = \max(0, \text{Unit Price} - F)$

Note: Next 25 year structure 200 months, repayment multiple 2.8 deposit in financed balance only). Mid case and prices from Table 3. Figures are illustrative. See also separate deposit as % of unit price and approximate KES amount.

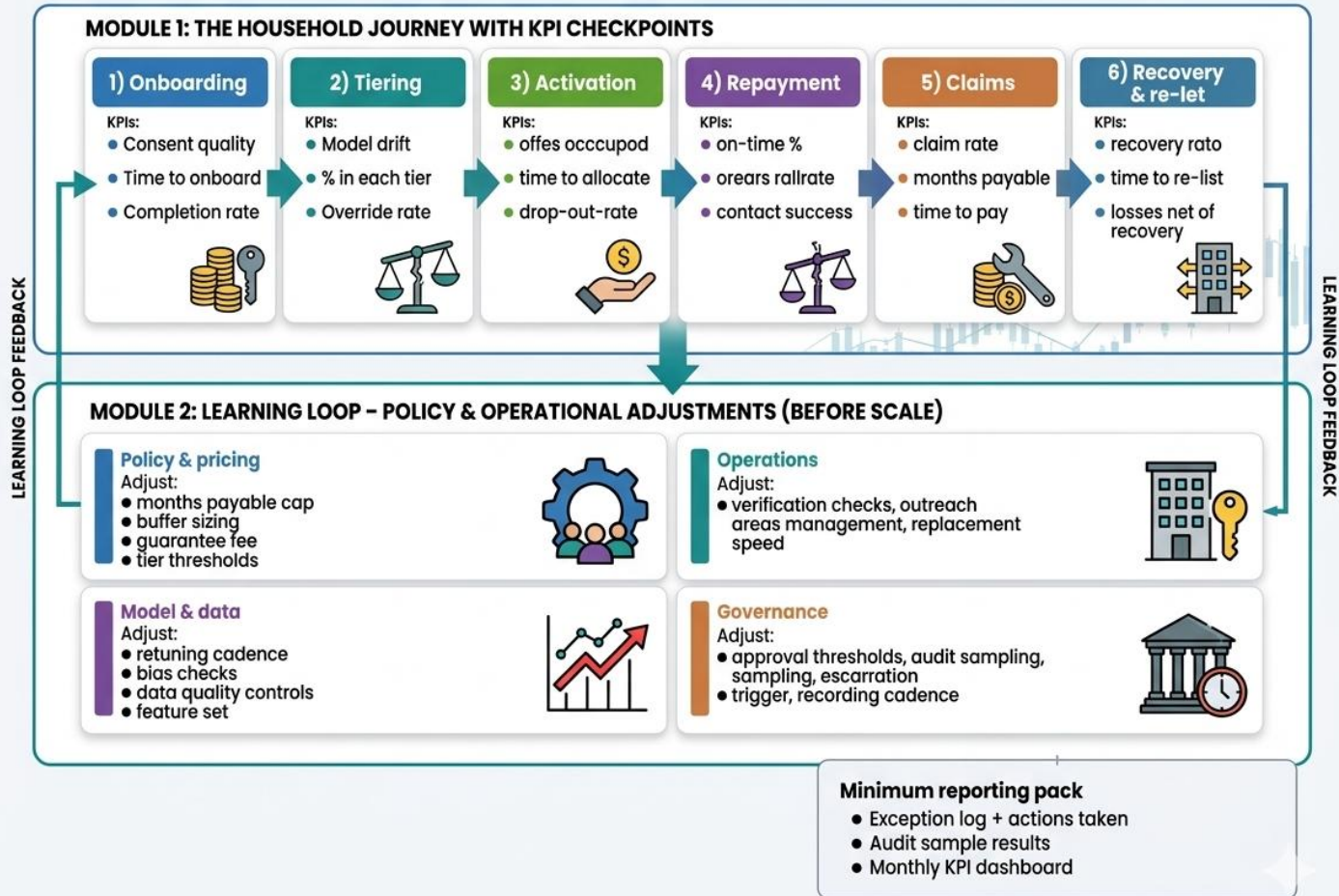
# How the guarantee makes the rent-to-own payment flow work



# Key performance monitoring dashboard and learning loop

**FIGURE 10.2: KEY PERFORMANCE MONITORING DASHBOARD & LEARNING LOOP**  
(WHAT MANAGEMENT WATCHES)

Simple metrics mapped to the household journey; the learning loop forces adjustments before the guarantee becomes a subsidy.



Source: Empowa THHG financial model - Illustrative projections only | FSD Africa / Empowa

# How the Guarantee Works

1

## Deposit-First Loss

Household deposit (1–3 months) is exhausted before guarantee pays. This aligns incentives and limits exposure.

2

## Bounded Cover

Guarantee covers only the gap between deposit exhaustion and tenant replacement — typically 2–4 months.

3

## Fast Replacement

Waiting list enables rapid re-letting. Each empty month that is avoided is a month the guarantee does not pay.

**The guarantee is not a subsidy — it is a time-limited bridge that the waiting list makes short**

# Impact at Scale

## 5-Year (Mid)

**18,000**

Housing units delivered

**36,000**

Construction jobs created

**KES 54B**

Private finance mobilised

## 10-Year (Mid)

**80,000**

Housing units delivered

**160,000**

Construction jobs created

**KES 240B**

Private finance mobilised

Every KES 1 of guarantee exposure can unlock KES 15–20 of private construction finance

- **Pilot:**

## Household Evaluation and Affordability Scoring Methodology to Strengthen Tenant Waitlist

### Outcome:

A data-driven tenant waitlist system combining traditional cooperative onboarding with digital financial intelligence.



# The System We Built

200+ Data Points for Validation and Assessment

Live Household Dashboard and Waitlist Index

Affordability Scorecard and Ranking System

Household Matching Interface

Unified Data Infrastructure for Household Profile

Household and Personal Data Sources

**NACHU Digital Onboarding Form**

- Household Profile Data Collection
- Identity, contact details, pilot consent
- Cooperative Affiliation

**ScoreMe Digital Scoring App**

- Mobile Transaction Data (MPESA, Bank accounts)
  - Digital Income Estimation
  - Risk Assessment

**NACHU Internal DataBase**

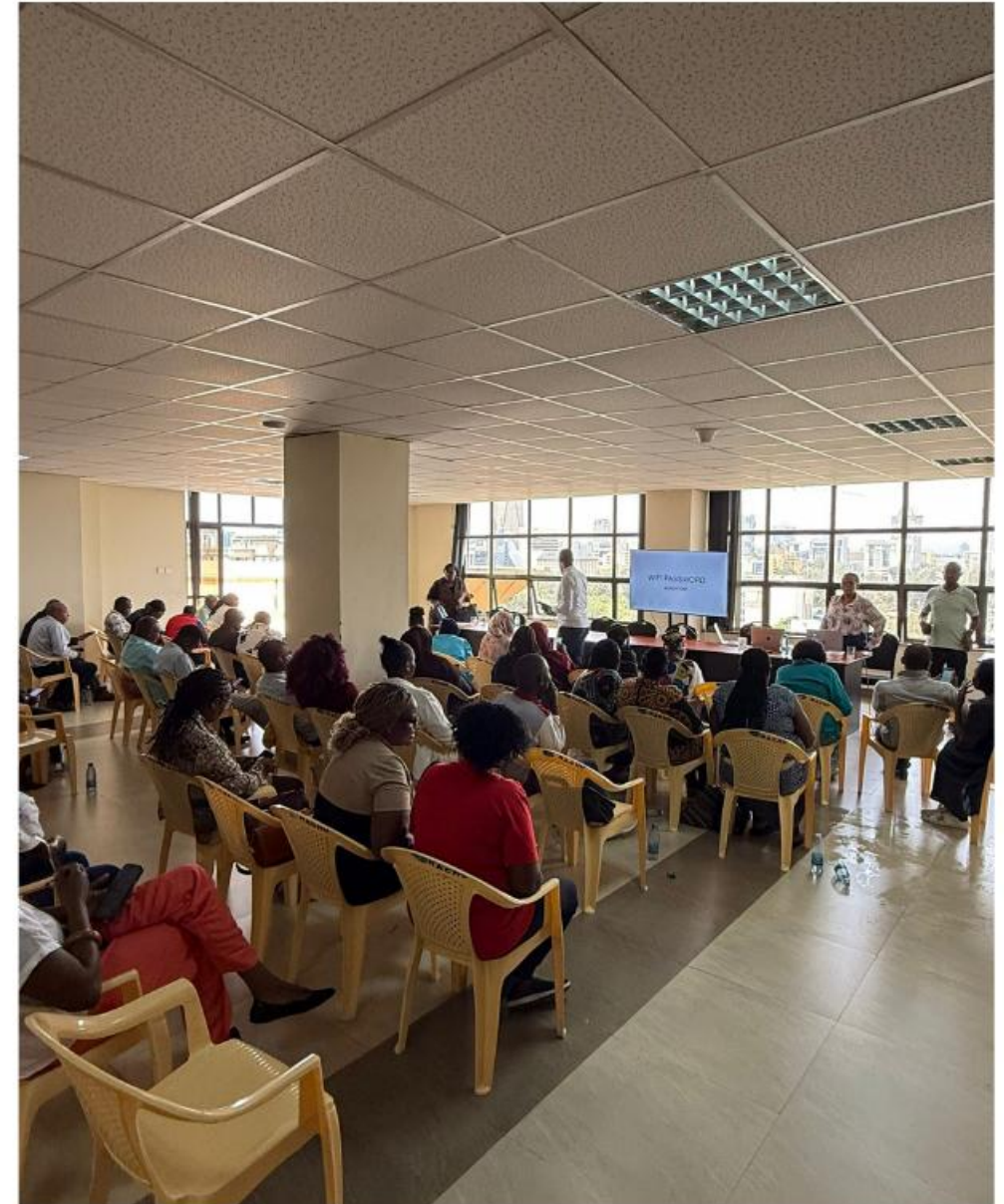
- Cooperative Profile
- Deposits held with Cooperative
- Land / Home purchase history

# • • • Pilot Execution

Over a **12–16 week pilot**, the project achieved:

- 4 onboarding sessions
- 29 housing cooperatives engaged
- 214 total attendees
- **123 households onboarded**
- **56 households with full digital profiles**
- **18 Households** Deemed “Housing Ready”

These households represent the **first structured affordable housing waitlist** within the NACHU ecosystem.



# Waitlist Core Demographic

**66.3%** Women

**61.8%** Married; **30.3%** Single;  
7.9% Widowed

**61.6%** Informal Sector; **27.9%**  
Formally Employed; 10.5% Balanced

**3.2** Dependents  
On Average

## Employment

- **Experience:** Applicants are generally well-established in their trades, with **65.9%** reporting **over 3 years of experience**.
- **Top Trades:** The most common occupations involve general **Business**, small-scale **Trade**, and **Self-employment** (e.g., farming, teaching, and real estate).

## Household

- **Dependents:** On average, applicants support **3.2 dependents**.
- **Primary Locations:** Most applicants are based in **Nairobi**, with specific concentrations in areas like **Kamulu, Kibra, and Mlolongo**.

## Rental Contribution

- **Overall Independence:** **72.7%** of all applicants are **sole contributors** to their rent payments.
- **Shared Responsibility:** **27.3%** of the waitlist relies on additional contributors (spouses, relatives, or children) to meet rental obligations

# Financial Overview

## Average Monthly Income

Self Reported: ~ 38,179 KES  
Digitally Estimated: ~34,234 KES

Metric	Min	Median	Max
Self-Reported	5,000 KES	30,000 KES	300,000 KES
Digital Income*	10,202 KES	10,358 KES	194,467 KES

## Savings Behaviour

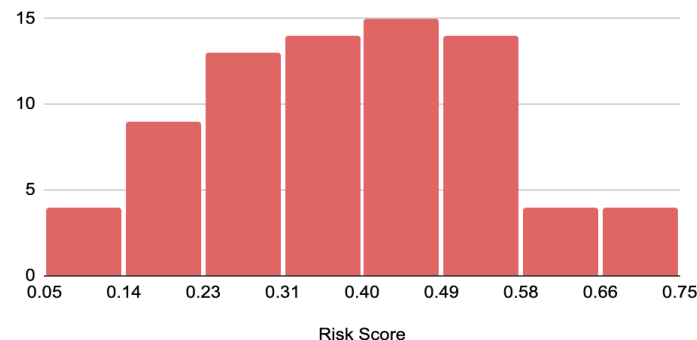
Consistent Monthly Reported Savings

Group	Count	Med. Monthly Savings	Med. Digital Balance
Both Estimates Available	48	5,000 KES	1,746 KES
ONLY Self-Reported	40	5,000 KES	N/A
ONLY Digital	31	N/A	7,892 KES

## Risk and Credit Stability

40% Average Risk Score\*\*  
20% Reported to have defaulted on a Cooperative Payment

Risk Score Distribution



### Key Insight

Consistent difference between self reported savings and balances in digital wallets potentially indicates that reserves are not kept in personal current accounts - emphasizes the need to look at Cooperative held deposits

\* Risk Score: Pngme's proprietary country risk model signifying likelihood of default

\*\* Digital Income: Pngme's proprietary country income model

# Affordability Ranking and Household Assessment Model

1. Data-driven scoring model combining **income, risk, cashflow behaviour, and spending patterns**
2. Built using **183 potential data points** per applicant.
3. **Maximum base score: 84 points + 5-point shared income bonus**
4. Integrates **self-reported data, cooperative data, and Pngme digital financial intelligence**

Variable	Scoring Criteria	Point Range
Payment Capacity (Self-Reported vs. Estimated): The system looks at how much the applicant claims they can pay versus what the system estimates they can pay based on data.	Self Reported Affordability is calculated by multiplying Self-Reported "Average Monthly Income" by 40% to get a baseline Housing Affordability Indicator. Higher payment brackets (above 15k KES) earn full points (12), while lower brackets (below 5k KES) earn half points (6). System Estimate Affordability if calculated by multiplying Pngme Estimated Income by 40% to get a baseline Housing Affordability Indicator. Higher payment brackets (above 15k KES) earn full points (12), while lower brackets (below 5k KES) earn half points (6).	0- 24
Cashflow Stability "Cashflow Pattern": The system looks at	If an applicant's bank or mobile money records are "Consistently Positive," they earn maximum points (12). If they frequently spend more than they receive ("Consistently Negative"), they earn the lowest score (6). Pngme's 90 Day Cash Flow Analysis also determines if Cashflow is dependent ("Situational"); in which case they earn 10 Points.	0 - 12
Income Level: Applicants are categorized by High, Medium, and Low Income.	High income earn 12 points each. Conversely, those categorized as "Low" income receive 0 points for these sections.	0-12
Risk Levels: Applicants are categorized by High, Medium, and Low Risk.	"Low" Risk earn 12 points each. Conversely, those categorized as "High" Risk receive 0 points for these sections.	0-12
Affordability Consistency: This measures "truth-telling" and data agreement.	If an applicant's ability to pay is confirmed by all data sources (self-reported, median, and estimated), they get 12 points. If they only qualify based on one source (like just what they said), the score drops.	0-12
Spending Habits: Spending behaviour is analyzed through transaction categorization.	Applicants are rewarded for "Builder" behavior (investing or saving). "Essential" spenders (living paycheck to paycheck) get fewer points, and "Risky" spenders (gambling or excessive luxury spend) receive 0 points.	0-12
The "Shared Income" Bonus:	If an applicant is not the sole contributor (meaning they have a spouse or relative helping with rent), they receive a 5-point boost. This recognizes that two or more incomes are more stable than one.	0-5

# Waitlist Snapshot

HOUSEHOLD PROFILE CARD

Score: 77/84

STATUS: TIER 3 - SECOND HIGHEST

Affordability Tier	Applicant Count	Median Score	Score Range (Min - Max)
Tier 3 - Second Highest	18	65	62 - 77
Tier 2 - Middle	56	52	40 - 58
Tier 1 - Low	49	34	20 - 39
Risky	1	18	18 - 18



### Observations:

- 'Tier 3' group (15%) - our 'housing-ready' top performers. They have a median income of 50,000 KES, high transparency, and are ideal for immediate allocation to rent-to-own schemes.
- 'Tier 2' (45%) - The core of the informal market.
- 'Tier 1' (40%) are members with Lower Financial capacity.

#### 1. CORE DEMOGRAPHICS & WORK

- Sector: Both
- Income Frequency: Monthly
- Household Size: Two Dependents
- Marital Status: Single

#### 2. FINANCIAL ROBUSTNESS (INCOME AGREEMENT)

SELF-REPORTED INCOME	DIGITALLY VERIFIED (ScoreMe)
KES 50000.0	KES 115,542

MONTHLY COMMITMENT  
KES 20,000

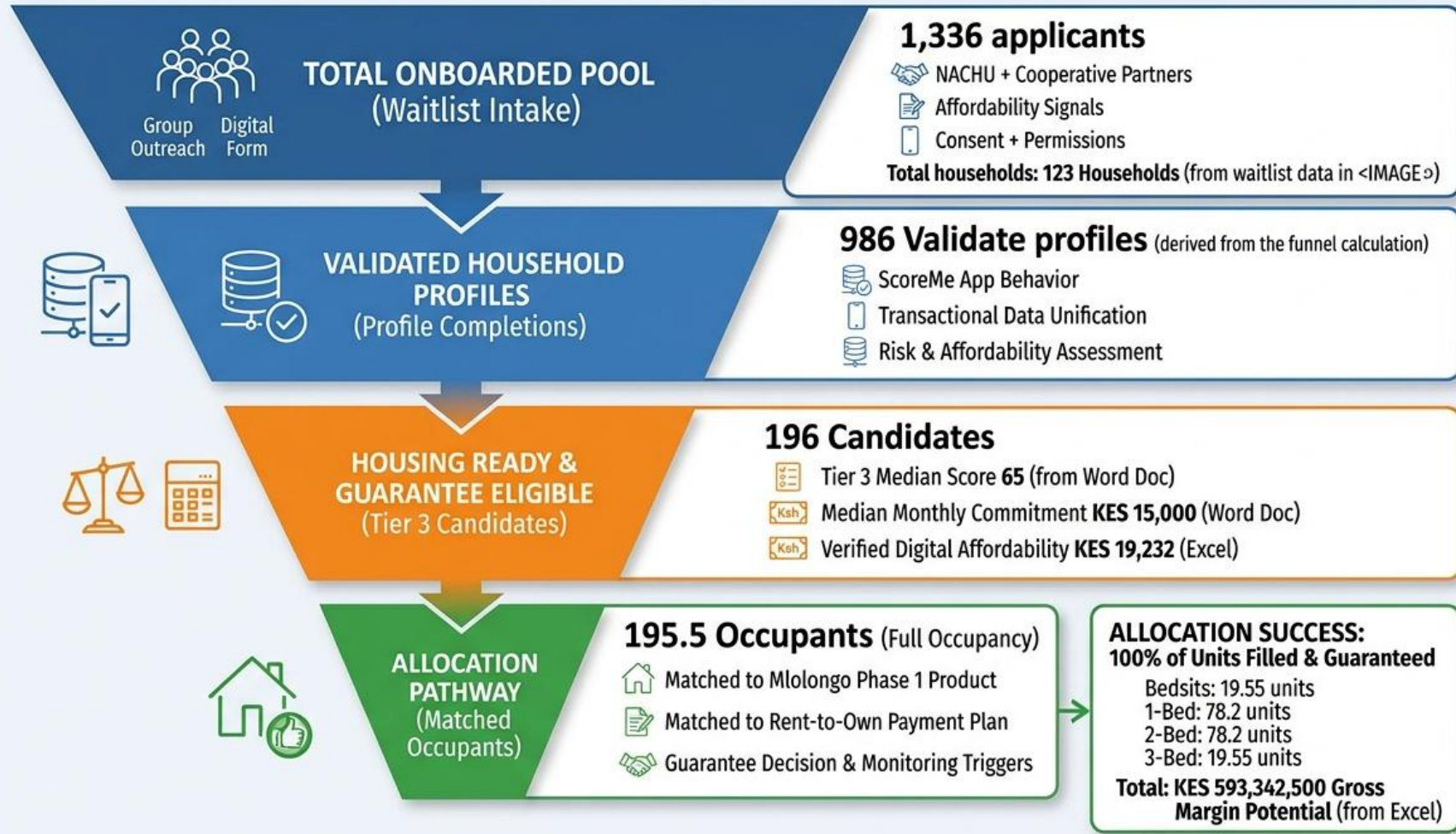
#### 3. RISK & BEHAVIORAL INTELLIGENCE

Risk Probability: 0.155 (Lower is better)	Persona: Essential Spender
Current Default: NONE DETECTED	Cashflow: Negative

Anonymized Profile for NACHU Housing Waitlist Management

# Mlolongo Phase 1: Onboarding-to-Allocation Funnel

Illustrative process linking NACHU eligibility capture with digital financial assessment and tiered guarantee allocation



Process flow → Stage transition →

Source: Placemakers / Pngme THWG Funnel Analysis — Housing Financing Report (2026)

# Limitations and Lessons Learned

## 1. Data Completeness is Critical

Full affordability assessment requires **both household and financial data**, highlighting the importance of continued digital onboarding.

## 2. Household-Level Data Requires Multiple Contributors

Assessing **true household affordability** can be challenging when additional contributors (spouses or family members) are not present during onboarding.

Future outreach should enable **remote data submission for additional contributors**.

## 3. Cooperative Deposit Data Must Be Integrated

A significant portion of members' financial activity occurs through **cooperative savings and deposit systems**. Future versions of the platform will integrate **direct, verifiable data feeds from cooperative deposit systems** to strengthen affordability assessments.

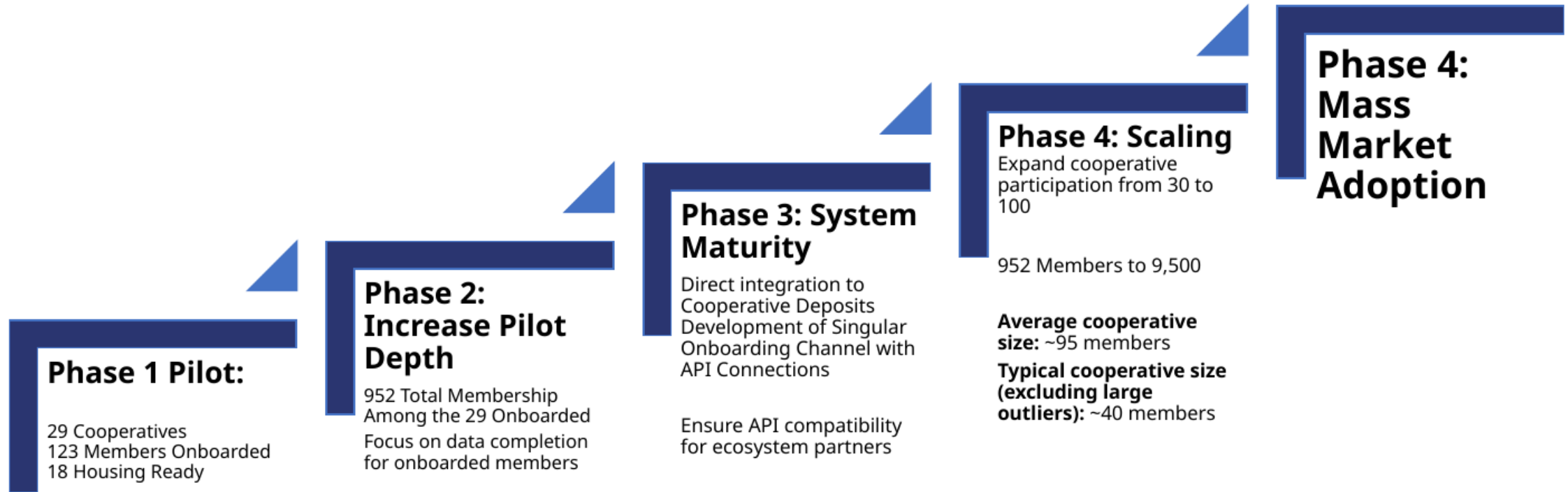
## 4. Informal Savings Often Remain Invisible

Many households demonstrate strong saving behaviour, but **significant liquidity is held outside digital accounts** (cash, assets, cooperative shares).

## 5. Hybrid Onboarding Builds Trust

The strongest results occurred during sessions that combined **in-person engagement with digital onboarding**. Human support proved essential for **building trust and increasing digital adoption**.

# From Pilot to National Scale



# Next Steps

1

## Stakeholder alignment

Convene cooperatives, off-takers, and county governments around the THWG design

Q2 2026

2

## Pilot structuring

Finalise guarantee terms, pricing, and operating model with anchor partners

Q3 2026

3

## Waiting list build

Begin onboarding 50,000 households through cooperative networks

Q3-Q4 2026

4

## First guarantees issued

Issue initial guarantees to matched, deposit-ready households

Q1 2027



Creating value through **inclusive finance**

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Riverside, Riverside Drive,  
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[www.fsdkenya.org](http://www.fsdkenya.org)

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