## **Abstract**

This study sets out to investigate the interrelationship between residential areas and informal cottage enterprises. Literature shows that residential areas can be used as areas of residence as well as workplaces to generate income. This research study seeks to answer the question whether there exists a relationship between residential areas and home-based income generating activities. Existing literature has helped shed light on the existence of cottage enterprises within residential neighborhoods. However. little attention has been given towards studving interrelationship between home areas and income generating activities. This study sets out to explore the factors that make residential areas attractive to cottage enterprises and why these activities thrive within home environments. The larger research setting is in Nairobi City County, however, using Tassia estate as a case Tassia estate is a typical study analysis. middle income residential neighborhood located in Embakasi East Sub County, Nairobi. The predominant land use is residential but with mushrooming pockets of commercial activities. One of the striking feature of this residential neighborhood is the influx of informal cottage enterprises that occur spontaneously. The main aim of this study was to investigate the drivers and impacts of the cottage enterprises residential areas. A subsidiary aim of this study is to propose planning interventions that can be formulated to facilitate the growth of the cottage enterprises in Tassia. The study adopted a combination of socio-economic survey and observation to examine the existing situation. A non random stratified proportionate sampling technique was utilized to collect data. In addition, the study utilized literature on home based enterprises and best practices elsewhere in the world. This helped build a composite picture of the dynamics of cottage enterprises globally and within the study area. The findings revealed that there is an intensified concentration of informal cottage enterprises within the outdoor spaces in Tassia estate. Key findings show that these activities have many advantages by being within the home environment. There exists a symbiotic relationship between cottage enterprises and home areas. However, these activities cause competition for outdoor space in the residential areas as well as putting strain of infrastructure dedicated to residential use. Hence, they need to be planned for and integrated within residential areas. The study concludes with key recommendations of integrating cottage enterprises within Tassia estate. This can be achieved through infrastructure-led upgrading approaches, redevelopment approaches and formulation of an Integrated Mixed Use spatial strategy for Tassia estate.