

Where are Kampala's missing houses?

Kampala is facing a dearth of affordable formal housing. Rural-urban migration, limited access to mortgage finance, and a host of other factors are all straining its housing sector. It is imperative for planners to think of innovative and sustainable ways to address this issue, argue Astrid Haas and Thierry Hoza Ngoga.

Rapid urbanisation across sub-Saharan Africa has had far-reaching implications for housing. Developments and therefore supply cannot keep pace with the level of people moving into cities. The result is the rapid proliferation of informal settlements, characterised by overcrowding, poor services, and unhealthy environments.

Kampala

In Uganda's capital city Kampala, which is home to about 1.75 million people, it is estimated that roughly 60% of the population live in such unplanned and poorly constructed areas. Current estimates of the housing deficit in Kampala are over 420,000 units. Furthermore, to keep pace with the urban growth of the city, it is estimated that the housing stock would have to increase by a further 29,000 units per year. This number is only going to go up as a result of Uganda's high population growth and rapid urbanisation.

A lack of affordable housing and mortgage financing

According to the Centre for Affordable Housing Finance in Africa (2015), driving a large part of the supply challenge is the fact that a significant majority of Kampala's population cannot afford to buy houses in planned areas. For instance, it is estimated that on the lower end of the spectrum, an 80m² one-bedroom house built by a formal developer costs around USD 13,500 per unit in 2015. Compare to this to the fact that the average household income for those living in low-income slum housing is estimated to be a mere USD 1,150 and the issue becomes clear (Uganda Housing Cooperative Union 2018).



Kampala is struggling to keep pace with the urban growth of the city Image Credit: [Mike Freedman via Flickr](#) CC BY-NC-ND 2.0

This problem is exacerbated by limited access to mortgage finance. The mortgage market is dominated by a handful of financial institutions that charge interest rates between 16% and 23%. Additionally, it is not uncommon for these institutions to require up to 30% of all costs paid up-front. Formal credit is therefore restricted to a very small proportion (0.68 %,) of households, with the result being that a vast majority of the population refrains from purchasing properties from formal developers. Owned properties, which are built incrementally, tend to be financed from savings and other non-mortgage means. This lack of demand acts as an additional constraint to the emergence of a thriving housing sector.

Slums and land tenure

As a result of lack of access to formal housing, Kampala has become home to a large number of slums. These have developed without any infrastructure, structuring or formal organisation, and often access to limited low-quality services. These densely packed settlements have implications for liveability, particularly the health of their residents. Upgrading attempts in the past have largely been unsuccessful. This was partly because they lacked any comprehensive spatial planning or understanding of the wider context. For example, the upgrading of the Namuwongo slum ran into a myriad of challenges including ballooning costs and time overruns. In the end, the area was gentrified as a result of the poorer residents selling their properties to wealthier citizens. They then relocated to a nearby wetland area, which effectively extended the geographic size of the slum. Similar gentrification dynamics have been at play elsewhere in the city.

Although slums can be found throughout the city on various forms of land tenure, they are disproportionately located on mailo land. Mailo land is a type of land tenure which is specific to Uganda and arose as a result of an agreement between British colonialists and the Buganda Kingdom in 1900. Under this agreement, 9000 square miles of land were given to the Buganda Kingdom to manage under their traditional laws. This land was then further divided into public mailo, which is land owned by the King of the Buganda Kingdom, the Kabaka. It is managed and leased out by the Buganda Land Board. There is private mailo, which is the land that was given by the King to his chiefs. In the present day this is effectively managed like freehold land.

One of the main reasons that slums are disproportionately located on this type of tenure, is due to one particular feature of this land: dual ownership rights. These rights, enshrined in law, grant both the landowner and the person who owns the permanent structure on the land equal ownership rights. This means for any sale or investment on the land to take place, the landowner has to agree with all the tenants before this can be done. Although this is a constraint for effective investment, from the perspective of informal settlers, this improves their tenure security once they can construct a permanent structure.

Improving liveability in cities

With urbanisation rates above 4% driven by rural-urban migration, the need for housing is going to grow exponentially. In 2014, 15.8% of Uganda's population of 37.8 million lived in urban centres. By 2050, it is estimated that this will more than double. Land tenure and housing finance are only two of the reasons driving the housing gap in the city. Others include the availability of good quality yet affordable construction materials, as well as the challenge of coordinating governance of a housing sector involving a number of actors. Therefore, it is critical to find ways to increase the supply of good quality affordable housing. This will require further research into:

- Incremental housing schemes.
- Innovative ways to unlock affordable housing finance opportunities.
- How to leverage technology, material, and labour in keeping the cost of housing low.

These can be coupled with learning how other cities have increased their stock of low-income housing. All of this will be the key to improving liveability in Kampala and other fast-growing African cities.

This article was first published on the [IGC blog](#).

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