



Republic of Rwanda

RWANDA HOUSING AUTHORITY

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INTRODUCTION TO AFFORDABLE HOUSING PROGRAM

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AFFORDABLE HOUSING

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1. WHY AFFORDABLE HOUSING ?

- ❑ Currently only 18% of the population live in urban areas
- ❑ The GoR envisages to increase urban settlers to 35% by 2024
- ❑ In Kigali, the number of HH's would increase from 300,000 (2015) to to more than 700,000 (2032) [IGC 2018]
- ❑ At least 415,000 houses will need to be built in the period from 2015 to 2032 [IGC 2018]
About 70% is for low and Middle income communities
- ❑ Providing Sufficient Housing stock , Proper land use in urban areas and preventing the development of the informal settlements



2. AFFRODABILITY

AFFORDABILITY IN RWANDA BASED ON INCOME

☐ Affordable Housing Program targets low- and medium-income communities earning **between \$ 200 and \$1,300** or **Frw 200,000 to Frw 1,200,000** per month

Considering that :

A House Hold should not spend *more than 30% of its Monthly income on housing* which applies for:

- Purchasing
- Renting
- Renting to own



AFFORDABILITY (CON'D)

- ❑ Typologies: Apartments of 1 to 3 BHK* with floor area ranging from 30 to 95 sqm
- ❑ Selling price: **from 5 Million (\$6,000) to 35 Million(\$40,000)**
- ❑ Construction technology: Any good and cheap technology can be proposed, subject to by Rwanda Housing Authority

[BHK: Bed room, Hall and Kitchen] *



3. ACHIEVEMENTS

A. Legal framework:

- The Housing policy which gives more guidance in implementing Affordable Housing Program is in place from March 2015.
- Prime Minister's instruction determining government support to the developers was approved in Nov 2015. In Feb 2017, it was readjusted to support high density housing
- There are Other legal tools are awaiting for approval

B. Pilot projects

Different stakeholders are embarking on 8 Pilot projects of more than 15,000 Dwelling Units on 400Ha in the CoK and Secondary Cities

These Projects started in March 2016 and will Finish in Dec 2024



BUSANZA I (1024 UNITS)



Developer: GC INVESTMENT Ltd



PROJECT EXAMPLES EXAMPLES KINYINYA (1,000 UNITS)



Developer: URUKUMBUZI



BATSINDA II PROJECT (548 UNITS)



Developer: RSSB



KABUGA I & II PROJECT (86UNITS)



Developer: Abadahigwa ku Ntego Ltd



NDERA PROJECT: 1,750 UNITS



Developer: GPD from Morocco



MASAKA PROJECT: 280 UNITS

Semi Detached House

2-Way Road

Apartment Block



Developer: Remote Groep



INFORMAL SETTLEMENT UPGRADING(10units in 1,000sqm): Mpazi site



Developer: The City of Kigali Through PROECCO



C. WAYS OF FINANCING (Demand & Supply)

❑ Affordable Housing Fund

The GoR initiated this fund to facilitate :

- Housing developers to access cheap short term loans
- Home buyers to access long term mortgages

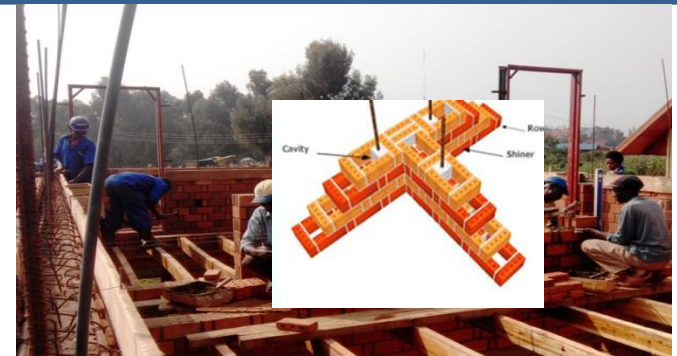
Other Initiatives under Analysis:

- Real Estate Investment Trusts (REIT's)
- Building societies (Savings)
- Mortgage refinancing mechanism (MBS)
- Establishing rental housing scheme (rent and rent to own)



D. Building technology and building materials

- ❑ ROWLOCK WALLING FOR LOW RISER BUILDINGS
- ❑ COMPRESSED STABILIZED EARTH BLOCKS AND ADVANCE INTERLOCKING CEMENT BLOCKS
- ❑ PREFAB WALL AND FLOOR PANELS : STRAWTEC PANELS
- ❑ PRECAST CONCRETE ELEMENTS
- ❑ LIGHT WEIGHT STEEL FRAMES
- ❑ INCREMENTAL CONSTRUCTION





4. GOVERNMENT SUPPORT TO THE AFFORDABLE AND HIGH DENSITY HOUSING DEVELOPMENT

- ❑ Assisting developers to access developable land (District Authorities)
- ❑ Provision of basic Infrastructure: Internal road network Power supply, Water supply, Waste water drainage and treatment (Affordable and High density Housing)
- ❑ Reduction by 50% of Corporate Income Tax (CIT)
- ❑ Cheap mortgage/ loans through Housing Fund



5. KEY CHALLENGES AND SOLUTIONS ADOPTED BY THE GOR

- ❑ **HOUSING FINANCE:** Creation of Affordable Housing Fund
- ❑ **DEVELOPABLE LAND :** Land banking was initiated and each district is availing land for affordable housing project
- ❑ **INFRASTRUCTURE:** Provided by the Government in all affordable housing and High density projects
- ❑ **CONSTRUCTION COST:** Adopting innovative construction technologies, and promoting use of local construction materials



6. INVESTMENT OPPORTUNITIES

- IN AFFORDABLE HOUSING BECAUSE THE DEMAND IS HUGE
- IN INFORMAL SETTLEMENT UPGRADING (Mpazi example)
- INVEST IN NEW BUILDING MATERIALS AND NEW CONSTRUCTION TECHNIQUES SUCH AS PREFABRICATED BUILDING ELEMENTS ETC
- PROJECT FINANCING (Housing and Infrastructure)



**Thank You for your
kind attention**