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EDRP papers are written as a basis for discussion in the Makerere Economic Research Seminar. They are not publications and are subject to revision.

**Note.**

The survey on which most of this paper is based was undertaken at the request of, and with the cooperation of, the Ministry of Public Service, and forms part only of a fuller research project (Ec.23). I must record my thanks to the several Government officials who helped in the carrying out of the survey, and especially to all the people who completed the questionnaire so cooperatively. I am, of course, responsible for all the opinions and shortcomings of the paper.

It had been hoped that a discussion of an income elasticity of demand for housing would be included in this paper, but pressure on length, and some recomputation of data dictated that it be omitted. Consequently all other statistical tests have been held over for re-calculation - this includes some null-hypothesis tests between distributions on which some of the conclusions are based. It is hoped to produce a short paper on the income elasticity discussion in the near future.

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The seminar will start at 5.00 in the Agriculture Conference Room, opposite the main library.

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## PATTERNS OF HOUSING DEMAND IN UGANDA.

### I. Introduction

It is with some trepidation that the economist launches upon a study of the housing market, since this is a field where inter-disciplinary research is needed if a complete understanding is to be achieved. Even in a country like the United Kingdom it is only in recent years, with work by Lionel Needleman<sup>1</sup>, Adela Nevitt<sup>2</sup>, and D.V. Donnison<sup>3</sup>, that material has been collated into a form which allows economic analysis of housing market performance. Therefore, it is hoped that this research project, embarked on in mid-1966, will bring new dimensions into the discussion of the housing problem in East Africa, and particularly in Uganda.

Soon after starting on the study it was clear that if any progress was to be made in an understanding of the operation of the housing market, then some new survey data was required. Following on the two Commissions set up by the Uganda Government in early 1966 to report on wage claims for E scale officers and Group Employees in the Public Service<sup>4</sup>, a request was made by the Ministry of Public Service that a survey of the housing situation of these employees be included in the project. A study was therefore carried out, using a self-administered questionnaire, on the housing of lower executive (G2-4), clerical (E scale) and the skilled artisan groups (Groups K-O). This survey was made the core of a larger study which is now nearing completion.

In Uganda, unlike its neighbours Kenya and Tanzania, some Public Service employees are eligible to government subsidised housing on similar terms to their Colonial Service forbears, and the remainder of employees are neither eligible for housing nor for a housing allowance. The cut-off point is at the scale G1, a higher executive grade, and below this Public Servants are not housed as of right. The Uganda Government is committed to removing this housing eligibility for these senior officers as soon as is practicable.<sup>5,6</sup>

The Ministry of Public Service had two problems:

- i) how were non-eligible officers housed.
- ii) what would be the effect on the housing market of an end to the eligibility system.

It is to the first that this paper will address itself.

There are three types of Government housing in Uganda, which are available to public servants:

- a) institutional housing - tied for use by officers working in a particular institution.
- b) remote area housing.
- c) pool housing - not included in the above categories.

It is obvious that although some of the junior officers are not "eligible" they could either be included in a) or b) above, or be

accommodated in poor housing if there were empty houses or special cause identified by the local housing allocation committees.

The survey used a hybrid stratified sampling system since no sampling frame was available, the main result of this being that it was later not possible to gross up the strata by the reciprocal of the sampling fraction, since the fraction was not known. However, limited this might make the theoretical applicability of the survey, it is contended that this factor limits only the precise identity of sample and population characteristics, and in no way restricts the conclusions drawn. In Kampala 517 self-administered questionnaires were distributed and 333 returned (64.4 per cent); in Entebbe 300 distributed and 197 returned (65.7 per cent); and in Mbale 223 distributed and 92 returned (41 per cent). This return was very satisfactory compared with other self-administered surveys which have been carried out among similar groups in Uganda. Before analysing the results three groups were excluded:

- a) non-Ugandans
- b) those outside the groups surveyed
- c) wives living with their husbands.

The last of these requires an explanation: it was felt that this would remove one factor giving a significant difference between salary and household income.

The particular approach used means that officers working in the three towns above received questionnaires regardless of where they were living, so that the results represent urban housing demand in a more representative fashion than surveys restricted to areas within urban boundaries, or even peri-urban areas. The cross-section represents the structure of the present residential patterns of urban employees in the income groups sampled, and can therefore be used in approximations of demand projections for housing. We shall particularly concern ourselves with the behaviour of the private market.

Table I. Respondents by tenure type (per cent)

Tenure	Kampala	Entebbe	Mbale
Private Renters	39.0	37.2	33.8
Owner-Occupiers	31.2	29.5	35.3
Municipal estates	8.1	18.6	5.9
Govt. Institutional	14.2	3.8	8.8
Other Government	4.7	7.7	10.3
National Housing Corp.	1.7	1.1	1.5
Rest House	1.0	2.2	4.4

## II. Survey Results.

Table I shows the proportion of the respondents living in the various tenure groups which were used in the analysis. It can be seen that the private market is the major source of housing for the sample.

surveyed. Private renters and owner-occupiers were 70.2 per cent of respondents in Kampala, 66.7 per cent in Entebbe and 69.1 per cent in Mbale. This leaves the Government supplying between 30 and 35 per cent of the housing of the grades of public servants surveyed, either directly or through local authorities. As would be expected, the proportion relying on Government accommodation was highest in Entebbe, where in 1965 81.4 per cent of enumerated employees were in public service, compared with 44.5 per cent in Kampala and 53.7 per cent in Mbale.<sup>7</sup> In 1957 EC.W. Gutkind and W. Elkan found that in Jinja, of 234 workers sampled earning less than Shs. 300 per month, 58.1 per cent found their housing in the private market, as defined above.<sup>8</sup> This confirms that the private market is the major source of housing supply in urban areas in Uganda.

In Table 2. the salary distributions are shown for the tenure groups and same three towns. It is here that the differential sampling fractions have the most influence. Also, it should be emphasised that these are 'salary' distributions rather than income distributions, this being particularly important for owner-occupiers, who could be expected to provide most of their own food requirements, plus some cash crops. The distributions are very similar for Kampala and Entebbe, and it appears that the lowest income groups tend to be more likely to be private renters, and the higher groups owner-occupiers or in "other government" accommodation - perhaps the most interesting result is that despite this tendency for private renters to have lower incomes than owner-occupiers (means for Kampala Shs. 453 and Shs. 736, for Entebbe Shs. 495 and Shs. 729, and Mbale Shs. 414 and Shs. 498), there is a fairly wide dispersion. Owner-occupiers are by no means grouped predominantly at the higher end of the distribution, 24 per cent having below Shs 400 per month in Kampala and Entebbe, and a higher proportion in Mbale. Neither are the private renters exclusively at the low-income levels, 20 per cent earning more than Shs 700 in the major towns. Since the housing estates were supposed to be for low-income workers it is somewhat surprising to find that in Kampala no respondent earning less than Shs 300 per month was to be found there. In both Kampala and Entebbe the mean salary of estates renters was higher than for private renters. This confirms the result of the Jinja survey in 1957, that the lowest income groups tend not to use the estates.<sup>9</sup>

The discussion here on rents paid naturally splits itself into two sections, on rents actually paid, and rent per room: more emphasis will be put on the latter. Absolute rent levels for private renters appear to be considerably higher in Kampala, than in Entebbe and Mbale, the shape of the frequency distribution suggesting this (see table 3).

In addition the mean absolute rents paid in Kampala and Entebbe, at Shs 69/50 and 46/50 appear to be significantly different. This suggests that the pressure of housing demand is relatively higher in Kampala than in Entebbe, and is reflected in a higher level of rents. Only seven of the 112 private renters in Kampala replied that they were sharing rents, although one might have expected this to be higher particularly among the lower income groups.

It is possible to remove some elements of accommodation differentials by comparing rent per room instead of absolute rent levels, and the results for this survey appear in Table 4. In Kampala 51 per cent of private renters were paying less than Shs 40 per room per month, as against 91 per cent of the estates renters, while in Entebbe 39 per cent of the private renters were paying under Shs 30 per month, against 72 per cent on the estates. In Kampala in the private market about 23 per cent were paying more than Shs 55 per month, and none on the estates over this level, while in Entebbe 11 per cent of private renters were paying more than Shs 55 and 3 per cent on the estates. The differences between the towns is even more marked than in the case of absolute rents, 55 per cent of private renters in Kampala paying under Shs 40, 68 per cent in Entebbe, and 78 per cent in Mbale. In Kampala the mean rent per room on the private market is almost double that on the estates (Shs 45/00 as against Shs 25/00 on the estates), where rents are subsidized by the City Council, although in Entebbe the difference is not quite so marked. The fact that rents in the private market are evidently sensitive to the market situation throws doubt on the insensitivity of government rent-charging practices, especially where subsidies are involved, and particularly since those receiving the subsidy are but a small part of the total population, with a higher mean salary than the private renters.

The proportion of income spent on housing, or, more easily distinguished, on rent, is important for two reasons. First, this forms only part of total expenditure commitments, and therefore a high proportion of income spent on housing leaves less for other commodities, particularly essentials such as food and clothing. Second, given an income distribution, and the proportion of income that people are able and willing to spend on housing, it is possible to construct a table giving the costs of houses that might be afforded by different income groups.

It can be seen in Table 5 that in Kampala 2.9 per cent of private renters were paying under 5 per cent of their salary on rent, as against 46 per cent on the estates and 68 per cent of the institutional renters. Seventeen per cent of the private renters in Kampala were paying more than 20 per cent of their salary on rent as opposed to 2.5 per cent of the institutional renters and none of the other two groups. The situation in the other two towns is very similar,

and shows that private renters are in fact spending a considerable amount more on their housing than are their colleagues in some kind of Governmental housing. This raises questions not only of equity, but also of the allocation of resources under the control of government, and is related to the second problem of the Ministry of Public Service indicated above. The mean proportion of salary spent on rent in Kampala was 14 per cent for private renters, 7 per cent for those on the estates, and between 4 and 5 per cent for the other two groups. In Entebbe the equivalent proportions were 11.4 per cent, 8.4 per cent, 2 per cent in institutional housing and 6.4 per cent in the "other government" category. These figures suggest that rents are certainly a greater strain on household budgets in Kampala compared with Entebbe, particularly as private renters are a higher proportion of the market in Kampala. The difference amounts to nearly 3 per cent of salary, and one could attribute this to either of two factors, or a mixture of both:

a) excess demand relative to available supply in the capital  
b) supply conditions, so that the higher proportion reflects a better quality stock of dwellings in Kampala.

The fact that only 38 per cent of private renters were in mud and wattle dwellings in Kampala, compared with around 68 per cent in the other two towns is the main factor. In Kampala also a higher proportion of the renters had electricity (41 per cent as compared with 30-34 per cent in Mbale and Entebbe respectively), although fewer in the capital had water from taps (37 per cent as compared with 48 and 46 per cent). The distribution of number of rooms occupied does not help explain this difference in the burden of housing expenditure. When it is considered that the mean rent per room for mud and wattle constructions in Kampala, Entebbe and Mbale was Shs. 35/60, 33/00, and 30/00 per month, and the equivalents for cement block or brick were respectively Shs 51/60, 43/10, and 31/10, then it seems likely that much of the difference in the proportions spent on housing is due to quality differences, and only part to excess demand.

Table 6 shows the means for household size (two definitions), and the number of rooms for the three towns and four main tenure groups. Table 7 shows the distribution of people per room for the same groups, for adults and children weighted equally. Using Table 7 we find that in Kampala 60 per cent of the renters had less than 2.5 people per room, while the equivalent figure for owners was 90 per cent. About 2 per cent of the owners had 4 people or more per room, and about 20 per cent of renters. In Kampala the differences between the mean number of persons per room in private and estate rented accommodation, and between private renters and owner-occupiers was very marked, the means being 2.6, 4.6 and 1.9 respectively. Using more aggregated calculations for the mean number of people per room, as in Table 6, it is clear that the considerably larger households of owner-occupiers is more than offset by the higher mean number of rooms. Using equal weighting of adults and children, owner-occupiers were crowded to the extent of 81 per cent of the private renters in Kampala, 71 per cent in Entebbe. Using the 50 per cent weighting of children the advantage of owner-occupiers is even clearer, the crowding being 75 per cent of the private renters in Kampala, and 69 per cent in Entebbe. Even taking the figures for Mbale it is clear that owner-occupiers suffer considerably less crowding than do private renters, although to extend this to an index of overcrowding is something that, as an economist, one does not feel qualified to carry out, more detailed analysis of household structures being necessary.

Before moving on to one of the most significant of the results of the survey it is worth noting the distances travelled to work

Table 6 Mean household size and number of rooms by tenure group

	Mean Household Size		Mean Number of rooms (iii)	Mean People per room	
	(i)	(ii)		(i)	(ii)
<u>Kampala</u>					
Private renters (a)	3.7	2.9	1.8	2.1	1.6
Owner occupiers (b)	7.8	5.6	4.6	1.7	1.2
Municipal estates	5.9	-	1.7	-	-
Govt. Institutional	-	-	2.1	-	-
(b) and percentage of (a)	211	193	256	81	75
<u>Entebbe</u>					
Private renters (a)	3.5	2.8	1.7	2.1	1.6
Owner-occupiers (b)	6.5	4.6	4.3	1.5	1.1
Municipal estates	4.1	-	2.0	-	-
Govt. Institutional	-	-	2.0	-	-
(b) as percentage of (a)	186	164	253	71	69
<u>Mbale</u>					
Private renters (a)	4.0	-	2.0	-	-
Owner-occupiers (b)	9.5	-	4.4	-	-
Municipal estates	6.3	-	2.6	-	-
(b) as percentage of (a)	236	-	220	-	-

Notes: (i) Household size defined as total number of occupants, adults and children equally weighted  
(ii) Household size defined as total number of occupants adults weighted 100%, children 50%  
(iii) Rooms defined as those defined as living or bedrooms  
(iv) Mean people for room defined as mean household size divided by mean number of rooms

daily by the respondents. This is an important indicator of the structure of the housing market around towns in Uganda, and confirms that the pattern observed by Elkan still survives to a considerable extent.<sup>10, 11</sup> (See Table 8) This shows that on average the owner-occupiers travel a considerably larger distance into their work each day compared with the renting groups.

Table 8 Mean distance travelled daily to work by tenure group(miles)

	Kampala	Entebbe	Mbale
Private renters	4.0	4.1	3.7
Owner-occupiers	8.1	7.9	10.7
Municipal estates	3.5	1.7	-
Govt. institutional	0.8	-	-

In Table 9 the tenure groups have been divided according to whether the respondent was living in his home area, this being defined as Buganda (Masaka, East Mengo, West Mengo and Mubende) for Kampala, and Entebbe, and Bugisu and Bukedi for Mbale (the survey was undertaken before the Bukedi headquarters were moved to Tororo). The pattern in the three towns is very similar, the proportion of owner-occupiers living in their home area being around 90 per cent or more (96 per cent in the case of Kampala). We must conclude

therefore that the home area has an extremely important influence on tenure choice, the influence being remarkable in the case of owner-occupiers. If this conclusion is reached however, then some explanation must be given for the fact that in all three towns over 50 per cent of the private renters were also living and working in their home district. It is apparent that the predominance of local people as owner-occupiers is not a two-way relationship. In Kampala, for example, 33.5 per cent of Baganda were private renters and the lower part of the Table shows that a sixth of the Baganda private renters in Kampala owned a house elsewhere in their home district, the comparable proportions being higher in the other two towns. Of those working outside their home area, in Kampala 44.6 per cent owned a house in their home district, in Entebbe 46.5 per cent, and in Mbale 54.2 per cent. It is clear that in the ownership of houses in Uganda it is important for most people that they be in their home area, largely for retirement from salaried employment. In a large region like Buganda, 'home area' needs to be defined considerably more closely than was possible in this survey. Therefore, for people from the more distant parts of Buganda, Bugisu or Bukedi, the town on which they happen to be working, although it is in their 'home district' it is not 'home' in the more narrow sense. Unless there is a wider breaking up of extended familial ties and a more extensive market in land around urban areas, it is unlikely that this phenomenon will alter very quickly. In addition it can be noted that private renters had an average age of 28-29 years in all three towns, and owner-occupiers 40 years in Kampala, 35 years in Entebbe and 34 years in Mbale. The fact that the renters were younger means that a large proportion are not likely to have access to land at 'home' or anywhere else especially if they are not married, because of social factors, and since they have had less time to accumulate savings.

Additionally it was found that the home district made no observable difference on salaries, rents, proportion of salary spent on rent, or the degree of crowding of private renters, although household size and number of rooms were different. This reinforces the conclusion that if the home locality has any influence at all it is in terms of a more closely defined region than has been used here, and then it seems to have more influence on tenure choice than on other variables. This modifies fairly considerably a conclusion of the Mayanja Commission on the salaries and conditions of E scale officers in the Public Service<sup>12</sup> where it was stated that "the advantages of local postings include the ability to find accommodation more easily .....".

### III Some supply factors

If there are economies of scale in hiring rooms it would be expected that the rent per room would fall as more rooms are rented by any particular household. It was found that the mean rent for one room in Kampala was Shs.50/10 per month, for two rooms Shs.36/50 per room, for three rooms Shs.38/10 and for four rooms Shs.35/50. This suggests that although there is a distinct fall in the price per room between one and two rooms, any advantage from hiring more than two rooms is not reflected in the rent. The difference between the rents for one and two rooms is probably accounted for by the fact that in the peri-urban areas many structures of more than one room are let out as single rooms, and were constructed on this basis. Since the hiring of two rooms therefore differs more from the hiring of one room rather than three or four rooms, it is not surprising that the 'economies of scale' behave in the way observed. It would therefore appear to be relatively more profitable to construct structures to be rented out as single rooms, rather than as multi-room dwellings. It was also found that the provision of more facilities, or better construction, had a positive effect on rent per room, although this does not isolate the number of rooms. For example, the mean rent per room for mud and wattle construction was Shs.35/50, for cement block without electricity Shs.46/70, and for cement block with electricity Shs.55/10. This would suggest that people are prepared to pay for better quality housing, so that the addition of facilities to houses at present of a low quality would be likely to pay for itself within limits, although the extent to which this would restrict the range of rents available to renters would be an unknown factor.

### IV A summary

Although much of the analysis of the survey data has been omitted here from pressure of space, enough information has been presented to allow some conclusions to be drawn. Perhaps more striking than the degree of uniformity in the relationships between variables was the degree of variation and dispersion. This in itself is important, for it shows the influence of tastes and idiosyncrasies, and thus rather than there being a pattern of housing demand, the demand is rather for a wide range of dwelling types and costs.

One important point which must be made on consumption patterns is that at low levels of real income a high proportion of income spent on housing presses absolutely harder than the same proportion at high levels of income. This is because the essentials of life have to be purchased at any level of income, and so food, clothing and housing have to be supplied in any event. An arbitrary 20 or 25 per cent of income devoted to housing in Uganda is in fact a greater strain on household budgets than it would be in Europe or North America. This is additionally so for two reasons. The variation in the weather conditions from year to year in East Africa brings with it wide differences in food prices, which have to be absorbed into the existing expenditure patterns. Clearly a high housing cost leaves less space for flexibility. The second point is the extent to which urban workers are expected to, and do, send home cash, or take home savings with them in the form of cash or gifts. It is probable that a quite considerable amount of rural capital expenditure is financed in this way. Therefore the mean proportion of salary expended by private renters in Uganda, that is 11-15 per cent, is probably a reasonable standard to take in the planning of the cost

structure of building programmes for the majority of urban dwellers, if the degree of variation either side of this mean is also taken into account. It can be remarked that this proportion of income, although confirming the data in the consumption patterns surveys in Uganda,<sup>15</sup> is somewhat lower than might have been expected. This is likely to have fairly important implications for Government in the event of a removal of subsidies on rental accommodation. However it is hoped to touch upon this in a later paper.

The advantage that was found in renting from Government rather than in the private market is the result of these subsidies. In the case of the higher income groups this represents a transfer of real resources from possible alternative uses, in order to further increase their total income above the low average income in the whole country. In the municipal estates the subsidies represent a possibly misguided attempt to follow the British system whereby it is assumed that council house tenants in a particular type of house are in low income groups, and so should not pay the full 'economic' rent. This type of subsidy can hide inefficiency, particularly in the way that housing accounts tend to be presented in Uganda. In this survey the estates renters have been seen not to be in the lowest income groups anyway. In terms of efficient distribution of resources it would be very difficult to justify the present types of housing subsidies in Uganda. Indeed, it has been decided that municipal estates in Uganda shall no longer be subsidised,<sup>16</sup> leaving only the ex-colonial pattern of housing entitlement/eligibility to be removed.

It is apparent from the survey results that housing is relatively more expensive in Kampala than it is elsewhere. Figures from returns in Kabale and Gulu give proportions of salary devoted to housing of 10.5 and 11.9 per cent, very close to those for Entebbe and Mbale.

To the extent that the higher proportion of salary spent on housing in Kampala is due to demand conditions rather than supply conditions then some kind of 'weighting' of salaries in Kampala for the presently non-eligible officers could justifiably be introduced in order to offset the higher relative cost of living in the capital. This might amount to about 1-1½ per cent of salary.

#### V. Patterns of Demand

Urban housing demand has to be defined in terms of 'ability and willingness to pay', and subdivided by geographical location, the distribution of income, the distribution of household size and/or the size distribution of dwelling demanded, tenure type and, finally, patterns of demand for facilities. In Uganda the geographical distribution of future urban housing demand depends largely on the dispersion of newly created job opportunities. This has been outside the scope of this research, and there are no statistics available to give the rate of growth of all the main towns of Uganda. For the period 1966-71 at least there is little or no chance of a change in the basic pattern of development in Uganda, where most employment opportunities are in Kampala and Jinja. The population of these towns is likely to be growing at around 7 per cent per annum at present. The 1966-71 Development Plan assumes that the total urban population will grow by about 40,000 households in this period, which would suggest a need of about 10,000 new dwelling units each year including replacement and backlog demand.

Table 10 shows the income distribution for enumerated African employees in Uganda in 1965. For absence of any better data we can take this as representative of the income distribution of urban dwellers. (Although a more detailed analysis has been made elsewhere the conclusions are not considerably modified). The table shows that 75 per cent of the employees received under Shs.125 per month in that year (before the introduction of the latest Minimum Wage Legislation), and 95 per cent under Shs.500 per month. The mean income per month was Shs.212/06 and the median approximately Shs.137/50. This gives some indication of the type of income groups that most housing developments would have to be aimed at in order to cover the whole market.

It has been estimated elsewhere that in most cases an annual rent basis 12 per cent of the capital cost will normally be sufficient to repay the costs fully. That is to say that this could be a rent which makes subsidies unnecessary. It is possible that this may have to be amended slightly for Ugandan conditions. It is clear in any event that to the extent that the '12 per cent' has to be higher in order to cover all costs, then for any given rent the construction cost will have to be lower. Approximately 60 per cent of the survey sample were renters of some kind or another, and so it may be estimated that around 60-70 per cent of urban dwellings would have to be in the renting category in new development. If the 'owner-occupiers' in the survey are not included in the urban population, then the proportion of urban dwellers who would be renters is higher. About 6,000-7,000 rental dwelling units are therefore needed every year in urban areas, and possibly over 8,000 if the speculation on owner-occupiers is correct.

If we used 15 per cent of salary as the mean rent for the lowest paid employees, then those in the group up to Shs.100 would be prepared to pay Shs.15 per month. However at these very low incomes workers would not be able to have their families with them, and so they are likely to share anyway. Three people at this level would provide Shs.45 per month, which is, on the 12 per cent basis, equivalent to a construction cost of Shs.4500. For this cost a very reasonable, if not lavish, traditional type dwelling can be constructed. Perhaps more interesting is the level at which the Government Minimum Wages report

estimates that a 'family' can be supported.<sup>19</sup> This is Shs.270 per month salary in Kampala, of which an arbitrary Shs.20 has been allocated for rent. In fact 15 per cent of Shs.270 is Shs.40/50, Shs.20 being only 7.4 per cent, so the expenditure patterns in this report can be regarded as suspect. Only 2.7 per cent of the private renters in the survey in Kampala were paying under Shs.30 per month, and so Shs.20 would be a very low rent for a 'family' in Kampala. Shs.40/50 would allow a construction cost of Shs.4050 per dwelling unit, which is easily within the bounds of possibility in the traditional sector, where a quite substantial dwelling could be built for this amount, with two or three rooms. However, more relevant perhaps, is the fact that using the enumerated employees income distribution, about 70-80 per cent of dwellings should be constructed to this capital cost in Uganda. Even allowing for the unsatisfactory nature of the income distribution used here, especially for urban areas, the order of this conclusion is undoubtedly correct.\*\*

Tenure was found to depend critically on whether the household was in its home area. The owner-occupiers had considerably larger households and more rooms on average compared with the other tenure groups, and were in their home area. Moreover, the owner-occupiers tended to live away from the areas that are purely 'urban'. It seems therefore, as remarked above, that the Uganda urban housing market is predominantly one where the demand is for rental housing. Owner-occupation in and around towns is dependent not on place of work, but on access to land, and the long-term desire for security of residence, especially after retirement from the salaried job. This accounts for many of the renters owning houses in their home areas. The poor responses which have been noted on the governmental home-ownership estates, where the development has been largely by entrepreneurs putting up rental accommodation, can be explained by this characteristic of the market. We must conclude that for some years to come there is likely to be only a small minority of Ugandans who desire owner-occupation status within urban areas.

So far as non-Ugandans, or more particularly non-Africans in Uganda, are concerned tenure will depend on more complicated factors since a large proportion do not regard Uganda as in any way a permanent home. Of the 80,000 plus Asians in Uganda, at the end of April 1967 14,450 had been registered as Uganda citizens, and an additional 10,527 had applied for citizenship but had not yet had it granted.

Among the private renters in Kampala and Entebbe slightly more than 50 per cent of those in the survey occupied one room, about 30 per cent two rooms, and 11 per cent three rooms. For renters in the income groups included in the survey these figures may safely be taken as representative of the minimum size of accommodation that would be demanded. It is, of course, very likely that if more rooms were available for the same rent level, then they would be taken, and given the crowding factor for renters

\* It was found that of the owner-occupiers in Ibbale, of 11 interviewed, the average construction cost for 7 was about Shs.1750, two others built at costs of Shs.12,000 and Shs.30,000, and the two remaining had built purely temporary structures.

\*\* It is probable that these construction costs would not include the capital cost of services, but a recurrent element for rates has been included in the 12 per cent.

this would be a very significant improvement in the standard of living. It may be assumed that given a changing ratio of dependents to urban population, and the lower labour turnover rates recently experienced in Uganda, that the market structure of urban housing demand has changed in the last ten years away from small or minimal dwellings, to something more substantial for a large section of the urban population. However this hypothesis cannot be tested with the data from this particular survey.

#### VI Some further thoughts

One of the major conclusions of the survey must be that all of the present public housing developments in Uganda, without exception, cannot cater for the majority of those requiring shelter in urban areas. There are only two ways to bring down the rents of these developments:

- a) subsidies, which cannot be justified economically for housing in a low-income economy, or
  - b) a reduction in capital development costs, likely to come from a drastic reappraisal of the type of housing development that the public sector should undertake.
- A proposal would be that more attention to the provision of supervised site and service schemes should be given. This would allow building to present Grade II standards in Uganda (i.e. mud and wattle, semi-permanent), without the creation of slums. Broadly speaking slums may be said to be caused by four factors:
- a) type of construction material,
  - b) type of, or lack of, sanitation and waste disposal facilities,
  - c) overcrowding inside dwellings,
  - d) crowded development of a particular area, with dwellings in close proximity to each other.
- In most cases the factors creating slums would be a combination of the four, but of the four the first would certainly be the most minor consideration.

In the private market a method of keeping rental costs down would be to impose some kind of rent control. Although this may operate successfully inside urban planning areas of Grade I standards (high standards in and around city centres), without affecting development incentives, it is highly unlikely that rent control could be effectively administered in the fairly densely populated peri-urban areas where housing demand is very high. Therefore rent control is not likely to benefit the low-income groups.

So far as an improvement of the standards of owner-occupied dwellings is concerned, the crucial bottleneck is probably the lack of any financial institutions which cater for relatively modest dwellings. Neither the newly created Uganda Building Society, nor the projected Mortgage Finance Company (part of the National Housing Corporation) are likely to extend their services outside construction costs of over Shs. 20,000 within urban boundaries. In this respect it can be mentioned that another constraint is land tenure, especially in relation to security of tenure and collateral eligibility.

One can assert with some confidence that housing conditions are of very great importance in assessing standards of living. If this is true, then it implies that, in Uganda at least, insufficient priority has been given to housing conditions in the formulation of Government policies in the economic and social fields.

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TABLE 2. Salary Distribution by type of tenure (per cent)

Salary Shs per month	KAHPALA				ENTEBBE				MBALE						
	P/R	O/O	M/E	G/I	Total	P/R	O/O	M/E	G/I	Total	P/R	O/O	M/E	G/I	Total
under 200	0.9	-	-	-	0.4	1.5	2.0	-	-	1.1	-	-	-	-	-
200 under 300	9.1	3.5	-	2.4	5.3	20.0	10.2	3.1	-	10.9	31.8	26.1	-	-	22.7
300 under 400	43.6	20.9	18.2	16.7	29.5	33.9	12.2	31.2	16.7	22.9	36.4	30.4	-	16.7	27.3
400 under 500	19.1	14.0	36.4	31.1	20.0	16.9	24.5	12.5	50.0	19.4	9.1	13.0	-	-	7.6
500 under 600	5.5	5.8	13.6	7.1	6.7	3.1	2.0	6.3	-	4.0	9.1	-	75.0	16.7	10.6
600 under 700	1.8	10.5	4.5	4.8	4.9	1.5	-	6.3	-	2.3	4.6	13.0	-	-	6.1
700 under 800	10.9	12.8	9.1	9.5	10.9	7.7	8.2	21.9	33.3	10.9	-	-	25.0	66.7	10.6
800 under 900	2.9	4.7	9.1	4.8	3.9	6.2	14.3	3.1	-	7.4	-	4.4	-	-	1.5
900 under 1000	1.8	8.1	-	2.4	3.9	-	6.1	-	-	4.0	-	4.4	-	-	1.5
1000 under 1100	0.9	2.3	4.5	-	1.4	3.1	4.1	-	-	2.3	-	-	-	-	-
1100 under 1200	2.7	2.3	4.5	14.3	4.6	3.1	4.1	6.3	-	4.6	-	4.4	-	-	1.5
1200 under 1300	-	3.5	-	2.4	2.1	1.5	-	6.3	-	1.7	4.6	4.4	-	-	4.6
1300 under 1400	-	4.7	-	2.4	2.1	-	2.0	-	-	1.7	-	-	-	-	-
1400 under 1500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.5
1500 under 1600	-	2.3	-	-	0.7	1.5	2.0	-	-	1.7	-	-	-	-	-
1600 under 1700	-	1.2	-	-	0.4	-	2.0	3.1	-	2.3	-	-	-	-	1.5
1700 under 1800	-	-	-	-	0.4	-	4.1	-	-	1.7	4.6	-	-	-	1.5
1800 under 1900	-	2.3	-	-	2.1	-	-	-	-	0.6	-	-	-	-	-
1900 under 2000	0.9	1.2	-	2.4	1.1	-	-	-	-	-	-	-	-	-	1.5
2000 plus	-	-	-	-	-	-	2.0	-	-	0.6	-	-	-	-	-

Note - throughout P/R = private renter, O/O owner occupier,  
M/E = municipal estate G/I = Government institutional

TABLE 4. Rent per room distribution  
by tenure group (per cent)

Rent/room Shs per month	KAMPALA				ENTEBBE				MBALE			
	P/R	M/E	G/I	O/G	P/R	M/E	G/I	O/G	P/R	M/E	G/I	O/G
No rent	0.9	-	9.8	-	1.5	3.2	16.7	-	4.4	-	-	14.4
under 20	7.6	21.7	68.3	58.3	10.9	12.2	83.7	50.0	34.8	75.0	-	42.8
20 under 30	15.1	65.2	17.1	16.7	26.7	56.3	-	21.4	17.4	-	-	28.6
30 under 40	27.4	4.4	4.8	8.3	28.4	15.6	-	21.4	21.7	-	-	14.2
40 under 55	26.4	8.7	-	8.3	20.9	9.3	-	7.2	13.0	-	-	-
55 under 70	14.2	-	-	8.4	7.5	3.3	-	-	-	25.0	-	-
70 under 90	4.7	-	-	-	1.5	-	-	-	4.4	-	-	-
90 under 120	-	-	-	-	-	-	-	-	4.3	-	-	-
120 under 160	3.7	-	-	-	2.4	-	-	-	-	-	-	-
160 under 200	-	-	-	-	-	-	-	-	-	-	-	-
200 and over	-	-	-	-	-	-	-	-	-	-	-	-

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TABLE 3. Rent Distribution by tenure group (per cent)

Rent Shs per month	KAMPALA					ENTEBBE					MBALE				
	P/R	M/E	G/I	O/G	Total	P/R	M/E	G/I	O/G	Total	P/R	M/E	G/I	O/G	Total
No rent	1.8	-	9.8	-	33.9	1.5	2.9	16.7	-	29.3	4.4	-	-	14.3	43.3
under 20	0.9	13.0	36.6	18.2	7.3	-	-	56.7	14.3	3.3	8.7	-	-	-	4.4
20 under 30	1.8	21.7	14.6	18.2	5.2	6.0	5.9	26.6	21.4	4.4	-	-	-	-	
30 under 40	21.8	4.4	14.6	-	11.2	22.4	23.5	-	21.4	14.9	39.1	25.0	-	-	16.4
40 under 55	31.8	39.1	9.8	18.2	18.2	36.8	55.9	-	7.1	29.8	39.1	25.0	-	14.3	19.4
55 under 70	11.8	-	4.9	9.1	5.9	17.9	5.9	-	21.4	8.3	4.4	25.0	-	42.9	9.0
70 under 90	10.0	13.0	7.3	9.1	7.3	9.0	2.9	-	14.4	5.6	-	-	-	28.5	3.0
90 under 200	6.4	4.4	-	27.2	4.5	1.5	-	-	-	2.2	4.3	25.0	-	-	0.4
120 under 160	9.1	4.4	2.4	-	4.2	1.5	-	-	-	0.6	-	-	-	-	-
160 under 200	-	-	-	-	-	-	-	-	-	0.6	-	-	-	-	-
200 and over	4.6	-	-	-	2.3	1.4	3.0	-	-	1.0	-	-	-	-	-

Note - O/G = other government - mostly 'poor housing'

TABLE 5. Proportion of salary spent on rent by tenure group (per cent)

Per cent of salary	KAMPALA				ENTEBBE				MBALE			
	F/R	M/E	G/I	O/G	F/R	M/E	G/I	O/G	F/R	M/E	G/I	O/G
No rent	-	-	9.8	-	1.6	3.1	20.0	-	4.6	-	66.7	16.7
under 5	2.9	45.5	58.5	63.6	7.8	18.8	80.0	42.9	13.6	-	16.7	50.0
5 under 10	31.4	31.8	26.8	27.3	32.8	46.9	-	50.0	27.3	75.0	-	16.7
10 under 15	34.7	9.1	2.4	4.6	32.8	25.0	-	-	31.8	-	16.7	16.7
15 under 20	14.3	13.6	-	-	14.1	3.1	-	-	13.6	-	-	-
20 under 25	7.9	-	2.5	-	6.2	3.1	-	-	9.1	25.0	-	-
25 under 30	2.9	-	-	-	1.6	-	-	7.1	-	-	-	-
30 under 35	2.8	-	-	-	1.5	-	-	-	-	-	-	-
35 under 40	2.9	-	-	-	1.6	-	-	-	-	-	-	-
40 and over	0.9	-	-	-	-	-	-	-	-	-	-	-

TABLE 7. Distribution of people per room by tenure group (per cent)

People/room	KAMPALA				ENTEBBE				HBALE		
	P/R	O/O	M/E	G/I	P/R	O/O	M/E	G/I	P/R	O/O	M/E
under 0.5	1.0	-	-	2.4	-	4.7	3.1	-	-	-	-
0.5 under 1.0	6.7	4.3	-	2.4	7.8	14.0	3.1	-	13.0	5.3	-
1.0 under 1.5	28.6	23.2	-	23.8	17.2	30.2	25.0	14.3	34.8	21.1	-
1.5 under 2.0	8.6	24.6	-	7.1	7.8	25.6	6.3	-	4.4	26.4	25.0
2.0 under 2.5	14.3	37.7	14.3	19.1	28.1	11.6	21.9	14.3	13.0	10.5	-
2.5 under 3.0	9.5	7.2	14.3	11.9	6.3	-	9.4	28.6	4.4	10.5	25.0
3.0 under 3.5	9.5	-	9.5	9.5	21.9	4.7	18.8	28.5	13.0	10.5	50.0
3.5 under 4.0	-	1.4	4.8	-	-	-	6.3	-	-	-	-
4.0 under 4.5	10.5	1.6	9.5	14.3	4.7	-	-	-	-	5.3	-
4.5 under 5.0	1.0	-	9.5	-	-	7.0	-	-	-	5.3	-
5.0 under 5.5	3.8	-	9.5	2.4	3.1	2.2	3.1	-	8.8	-	-
5.5 under 6.0	-	-	-	-	-	-	-	-	-	5.2	-
6.0 under 6.5	5.7	-	14.3	4.8	3.1	-	3.0	-	-	-	-
6.5 under 7.0	-	-	-	-	-	-	-	-	-	-	-
7.0 under 7.5	0.8	-	9.5	-	-	-	-	-	4.3	-	-
7.5 under 8.0	-	-	-	-	-	-	-	-	-	-	-
8.0 under 8.5	-	-	4.8	2.3	-	-	-	-	4.3	-	-

Note: People per room is total household size (adults and children weighted equally) divided by the number of living and bedrooms.

TABLE 9. Home District and tenure group  
(per cent)

	<u>KAMPALA</u>	
	Living in Home District	Not living in Home District
P/R	53.2	46.8
O/O	97.7	2.3
M/E	15.0	85.0
Total	60.6	39.4
<u>ENTEBBE</u>		
P/R	58.5	41.5
O/O	88.7	11.3
M/E	38.7	61.8
Total	60.9	39.1
<u>MBALE</u>		
P/R	60.9	39.1
O/O	95.7	4.3
M/E	-	-
Total	62.1	39.9
<u>House owned in home district</u>		
Kampala P/R	16.7	39.3
Kampala All Government*	23.8	52.7
Entebbe P/R	22.5	55.6
Entebbe All Government	19.0	48.5
Mbale P/R	53.9	-
Mbale All Government	-	71.4

Note - \* All Government includes municipal estate, Government institutional and other Government renters.

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