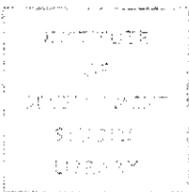


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Preliminary Notes on a Study of the Housing Market in Uganda.

"The question of African housing, in my opinion, requires much more study before it is decided to spend large sums of money....." /1.

(Dr. E.B. Worthington, 1946)

I. Introduction

This paper is an opportunity to present some preliminary results and ideas that have accumulated over the past few months in this study of the housing market, thus clearing my own mind, and giving an occasion for wider discussion. When we consider that housing is generally one of the two major items in the consumption patterns of households, surprisingly little discussion of the desirable or actual relationship between economic development and the improvement of housing conditions has been carried out in East Africa², the major discussions apparently centering on government supplied housing, town planning, and technical standards. The aim of this study is to provide background material for an assessment of the performance of the housing market in the light of the means that people actually use, at present, of obtaining shelter. I am concentrating on urban demand, and interpreting this as the demand for housing of those who work in towns. Supply and demand are the basic tools of analysis, and imperfections will arise in a variety of ways. Some of the basic characteristics of housing in Uganda are as follows:

- i) high priority in budgets,
- ii) durable consumer good, but split into a variety of material types,
- iii) spatial separation of markets,
- iv) separation of markets by quality/cost of houses,
- v) separation of markets by race and/or tribe,
- vi) separation of markets by status through housing subsidies.

The study has been split into seven sections, and a description of the initial stages of a Public Service Housing Survey is added briefly at the end of this paper.

- I Introduction
- II Demand for Housing
- III Supply of Housing
- IV Institutions in the market
- V Rents and rent control
- VI Finance for housing
- VII Subsidised institutional housing
- VIII Land
- IX A Housing Survey

II. The Demand for Housing

The aggregate demand for housing and the structure of the demand depends on several factors:

- a) size and growth of population
- b) size and changes in composition of households
- c) level and distribution of incomes
- d) social factors.

The first two together determine the total number of dwelling units required to house the complete population; the second third and fourth factors determine the structure of the desired housing stock. Straight away we should distinguish clearly between "housing need" and "housing demand".

Book Number
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Classification

/1. Dr. E.B. Worthington: The Development of Uganda, First Impressions; Govt. Printer, Entebbe, 1946.

/2. M. Nerfin: Towards a Housing Policy: Journal of Modern African Studies, Vol. 3 No. 4. P.543-565.

"In theory, need must be expressed in terms of housing standard. For example, every family should have a separate dwelling of adequate size: the dwelling should protect its occupants against the elements; it should have the facilities to maintain health and sanitation..... Housing need, computed at one point in time, according to a set of standards, would not hold indefinitely Price, or ability to pay, does not enter into a computation of need Unlike housing need, the most important elements of an estimate of housing demand are the prices at which housing is or may become available, the ability of families to pay and the proportion of income that they are willing to devote to shelter In almost every situation the volume of housing needed, even at the lowest standard of adequacy, greatly exceeds that for which there is a demand, ³. (paras 63-67).

A Un Mission Report on housing in Ghana distinguished there for main housing demand groups:

- a) those who can build their own homes - £800-1000 per annum - 4% of population
- b) those who can pay under hire-purchase contract - mainly £200-800 - 37% of population
- c) those who cannot afford to pay for a government built house, but can build themselves or with friends. Occupational rather than an economic group - 17% of population
- d) those who require subsidies - less than £180 per annum - 42% of population (para 24) ⁴.

The large size of the group requiring subsidies shows the magnitude of the housing problem in Africa, since these subsidies cannot possibly be expected to be forthcoming in any rational allocation of resources. In Uganda the housing market is split by race to some considerable extent, and any income breakdown is brought with difficulties because of the urban Asian population, a considerable proportion of which is not very well off by "Asian" standards, and so this group suffers considerably - it is from here that the strongest demand for rent control comes. We shall however, treat this group separately.

The best approach to the demand side of the equation seems to be to separate it into three elements:

- (i) the population size variable
- (ii) the household size variable
- (iii) the income and consumption pattern variable.

(i) The demographic part of this study has yet to be carried out in any great detail, although some preliminary work and thought has been done. The available statistics await more thorough analysis. Ideally the variable that we are interested in is the number of urban employees and their dependants rather than urban population, since if there is not sufficient housing in towns then people will move outside, or live outside town by preference. However the only statistics available are those in the Enumeration of Employees, and these are far from ideal for our purpose: "Information has been collected for all persons employed for an agreed wage or salary payable in cash, but excluded owners, partners, proprietors or self-employed persons and members of the armed forces." (para 2) ⁵. If we compare the figures in the enumeration with census data we get the following relationship for Kampala in 1959.

³ Bloomberg L.N. and Abrams C.; Un Mission to Kenya on Housing; Un Dept. of Economic and Social Affairs; Govt. Printer, Nairobi, 1964.

⁴ U.N. Technical Assistance Programme; Housing in Ghana: U.N. New York 1957.

⁵ Uganda Government; Enumeration of Employees, June 1964; Statistics Department, Ministry of Planning and Community Development.

Table I

Comparison of demographic data 1959

African Employees in Kampala ^A	African population in Kampala ^B	Total population in Greater Kampala ^C
29,766	24,056	123,300

Sources: A. Enumeration of Employees, June 1965 Table 3
 B. Uganda Statistical Abstract 1964 Table UB 3(b)
 C. Scaff Report UNO/ST/TAO/Uganda/1/Corrigenda

Note: "Greater Kampala" includes Kampala City, Mengo Municipality and Nakawa Township; there is no indication of what definition of Kampala has been used in the first two columns.

This suggests that there is insufficient data here to define urban housing demand in terms of a growing labour force, particularly since it is known that a very large proportion of housing demand is satisfied in the peri-urban areas. We shall therefore have to content ourselves with the existing urban population projections, which at least give some reliable indication of the likely future magnitude of urban housing demand.

Table II Population projections 1979.

	1948	1959'	1964	1969	1974	1979
Kampala City	22,000	46,735	63,000	85,000	114,000	154,000
Mengo Municipality	23,000	60,363	82,000	110,000	148,000	199,000
Nakawa Township	13,000	16,235	23,000	31,000	42,000	56,000
Kawempe and other urban parts of Kyadondo County	-	-	-	-	-	-
Total Greater Kampala	58,000	123,300	168,000	226,000	304,000	409,000
% Uganda population in towns	3.4	5.0	6.0	7.1	8.5	10.1

Sources: UN/ST/TAO/Uganda/1/Corrigenda

No satisfactory way of calculating row 4 was found, so it was left blank. Towns are defined as having more than 2,000 inhabitants.

(ii) The household size variable is rather difficult to handle, since there is no clear way of defining it. Generally it is a group of people who are living together, so four men renting a room between them count as a "household". Also non-Interlacustrine Bantu peoples have to allow for more frequent visits and stays of relatives. The normal pattern of shelter after arrival in Kampala from, say, Teso, is to live with a 'brothers' while looking for a job, and then move out when roots are move firmly established. However this problem is relatively straight forward and more data will be available from the Gugler/Klein Labour Survey.

(iii) If we have some income distribution material, and the proportion of income that people are willing to spend on housing, then we have some way of assessing what kind of investment in housing might be justified. Using rather rough calculations we get Table III.

Table III.

Cumulative percentage frequency of enumerated employees in Kampala by wage group - Shs per month -					
Shs per month	80 - 89	90 - 99	100-124	125-149	150-174
% employees	0.5	2.0	24.0	44.0	52.0
Shs per month	175-199	200-299	300-399	400-499	500
% employees	58.0	71.5	84.0	88.5	100

Source: Enumeration of Employees June 1964 Tables 8 and 9.

Over 70% of the employees were earning as a basic wage under Shs.300/- per month at this time. If we take 25% of income as the maximum that is likely to be spent on housing then we get a monthly rent of Shs.50/- to 75/- from the top 13.5% which is quite reasonable for peri-urban areas. But if we take the 44% who cannot afford more than Shs.37/50 per month then the situation is for more alarming given present rents. This is where irregular payment of rents is unavoidable, and sharing of accommodation is necessary - it is assumed that this is why the average rent per month of Shs.7/59 is arrived at for employees earning between Shs.100/- and 150/- in Kampala (see below). Additionally there are those who own their own houses, or pay their rent in terms of services rendered to the landlord.

One other potential source of statistics on demand for housing is the length of the waiting lists on government housing estates. So far as Kampala is concerned these have recently been completely revised and it seems extremely doubtful whether any degree of confidence can be placed in them.

One problem to be faced in this analysis is the feed-back between level of income and size of household. That this exists we can be fairly certain, if only from the statistics in Table IV.

Table IV.

Income group Shs per month	Average size of household.
up to 139.	1.8
140 - 169	2.4
170 and over	2.4

Source: Patterns of Income, Expenditure and Consumption of African Unskilled Workers, Kampala 1964, Table 4 p.6.

This has, of course, implications on the minimum wage policy at present in force, but this need not concern us in this paper. Matters concerning income elasticities of demand have been left over to a later section. To summarise the major influences on demand then, we have:

- (a) income
- (b) size of household
- (c) Age composition of household
- (d) home district (tribe)
- (e) length of stay in town - intended and past.

III. Supply of housing.

The supply of housing can be split up in the following way:

- (a) existing stock
- (b) growth of this stock (net of demolition)
- (c) size and quality composition of the stock
- (d) extensions

In Uganda it would be a major undertaking to assess the existing stock of houses, since such a large proportion of them are in per-urban areas. I shall be getting some figures from the Kampala rating list, but these have fairly severe limitations. Given that we have the stock for any particular town, then figures of private building completions are available from the statistical abstract, so it is possible to get an approach to the required exercise assuming that reports of building completions are themselves complete. Most of the descriptions of how to undertake a housing survey are based on European experience ^{/6} and therefore tend to use a lot of series that are not available here, however it is possible to build into some kind of model of the market the trends available from published statistics. It is interesting to compare government building with private building, and this is done in Table V.

Table V.
Residential building in Uganda.

Year	Monetary DP-current Prices £M ^{/1}	Private building completed in main towns ^{/2}	Private floor space completed ^{/2}	Govt. Residential building £'000 ^{/2}	Govt. non-recurrent expenditure on African Housing £'000 ^{/2}
1952	81.7	155	331	650	285
1953	70.2	136	627	1186	259
1954	92.8	94	485	309	147
1955	102.0	182	733	529	348
1956	102.8	187	736	555	323
1957	109.4	148	541	881	337
1958	105.9	125	438	938	371
1959	108.0	131	408	593	269
1960	110.8	92	310	289	124
1961	111.2	40	131	69	48
1962	107.9	25	80	58	94
1963	128.5	16	45	43	141
1964	148.9	29	101	78 (b)	15 (b)
1965	..	46	146	352 (b)	75 (b)

Sources: 1. 1954-64 - Work for Progress Table 6.
1952/3 - Geographical Income, Statistical abstract 1957 Table U I
2. Uganda Statistical Abstracts - various.

Notes: a) Cols 5 and 6 statistics for 1955 seq are 1954/55.
b) Approved estimates.

^{/6} e.g. U.N., Techniques of Surveying a Country's Housing Situation, including estimating of Current and Future Housing Requirements; U.N. E.C.E. Geneva 1962.

This table suggests that capital investment in housing is a function of the monetary GDP, but that housing is more volatile than GDP and with a time lag. This is consistent with a United Kingdom Colonial Office publication, at least for the last two columns, which says :..... being financed largely from surplus revenues, houses tend to be build during periods of prosperity when building costs are high." (para 43)/Z. If the Government phases its building programme in this way, then costs are also raised for the private sector, and thus housing is provided at a higher cost than might be otherwise, with consequent in stability in the construction sector. However the full macro-economic implications of violent swings in residential investment might be difficult to work out in an export dependent low-income economy such as Uganda's. In recent years there has been a considerable amount of development in Uganda, not least in the expansion of the high-level manpower and visiting diplomats and this has affected the market fairly considerably. It is hoped that it will be possible to work out the "average" rate of return on various types of housing, the most interesting of which are likely to be:

- a) mud and wattle peri-urban
- b) middle/lower income Asian housing
- c) Executive/managerial type housing
- d) "diplomatic" type.

Given this it will be possible to assess the likely profitability of investment in housing as against investment in shares or other enterprises, and take a look at constraints on building such as the availability of land, the availability of capital, and the costs and capacity of the "house-building industry". There are two market situations in housing, the standing stock period, and the construction period. If returns are very high and rents have risen considerably in the standing stock period, then existing landlords will presumably have an incentive to either reinvest their profits in housing and/or prevent new entry landlords from investing. The role of estate brokers in the market will have to be looked at since it has been claimed that the intervention of these middle-men increases rents fairly considerably, but little information is available on these at present.

IV. Institutions.

The institutions in the housing market can be split into two sections - private and public. Since the public is easier to describe we shall cover this one first.

The public institutions concerned with housing have been characterised by a state of extreme confusion for a number of years. At present there is a Ministry of Works, Communications and Housing which is concerned primarily with building government houses, supervising the work of the National Housing Corporation, and dealing with government projects in the finance of housing. The Housing section was removed from the Ministry of Housing and Labour early in 1966. The Ministry of Regional Administrations is charged with supervising the housing activities of local governments and forms the sole source of capital for local government housing projects and a very small element of subsidy to housing estates. The Ministry of Commerce and Industry is responsible for assessing the need for rent control measures.

In 1954 an African Housing Department was set up separate from the Public Works Department to deal exclusively with African Housing Estates. This department was reabsorbed into the Works Department in 1959 as an economy measure, and in 1962, at independence, the estates were handed over to the local authorities with statutorily fixed subsidised rents (subsidies ranged from 35% to 75%). The estates now extant are Nakawa, Naguru and Kira Road (in ascending order of cost of accommodation) in Kampala; together with the home ownership estates at Kiswa and Katali, and the Central Government's (M of W, C and H) home ownership scheme at Ntinda. In Jinja, Walukuba estate has rented accommodation, and Mpumudde and Bukaya are home-ownership estates in Entebbe Katabi and Lanyago are rented estates and Kiwafu a home-ownership estate. Other estates exist in most up-country towns, but as yet the only up to date statistics that I have are from those estates for which Kampala City Council is responsible. The structure of these estates in terms of different types of houses and various rents reflects quite clearly the rather unsatisfactory fragmented nature of the approach to housing by the government. In 1965 the subsidies spent by the Kampala City Council on Nakawa and Naguru amounted to £25,500 (Kira Road estate is let on a no profit/no loss basis), and all new

houses built are being let at what is calculated to be an economic rent.

The National Housing Corporation was set up in 1964 to assist in the relief of the housing problem in Uganda. Two extracts from the act will suffice for our discussion here: Section 3, sub-section 1 f) it shall have the power to "build or permit or to assist the building on any land owned, leased or controlled by the Corporation, of premises other than dwelling houses, where such premises are considered by the Corporation to contribute to the improvement or development of a housing estate"; and subsection 6 a) "to enter into any agreement with any person for the establishment of any project or undertaking."

The title "National Housing Corporation" would seem to be quite specific; but in fact in practice the two clauses quoted above seem to have allowed several divergences from the original intention of the Corporation. Since I have not yet talked to anybody in the Corporation it would be premature to make any dogmatic assertions here, but certainly the actual manner of working of the Corporation is of little value in relieving the pressure on the housing market. For instance the internal administration of the Corporation has been alleged to be overburdened with overhead costs on projects outside the purview of a Housing Corporation.

In addition to the above institutions each Ministry has its own particular housing need for its entitled offices, and so it is impossible to get a figure of total government investment in housing from the latest Development Plan. Thus Central Government development expenditure (Table 18, Work for Progress) includes provision for £620,000 to housing out of a total of £106 million. Additionally the £1.5 million pounds allocated to Kingdom and Local Government must include an element for housing loans to Local Government, but there is no indication to what extent this is. Evidence presented by the Kampala-Bengo Regional Planning Mission to the Town and Country Planning Board claims that 40,000 new houses would be needed in urban areas in the five year planning period, costing an estimated £60 million if built to National Housing Corporation Standards ^{/8}. The Development Plan states that "it is expected that during the Plan period the urban population will increase by about 40,000 families. The investment involved in housing them in satisfactory, though modest, dwellings will be over £20,000,000. Present housing deficiencies and replacements of existing dwellings will call for additional investment, adding at least several more million pounds".^{/9} The Plan settles for a total of £25 million investment in housing. There are several inconsistencies in the calculations in the Plan. First, the investment in the Government's own houses is not stated. Second, no specific allowance has been made for lending to local governments - thus out of the total £1,500,000 (the only source of capital funds to local government is through the Ministry of Regional Administrations) Kampala has a capital development programme for 1967 of £454,000 in housing,^{/10} and Jinja is hoping for a £100,000 housing loan in 1966,^{/11} if both of these go through then the £1,500,000 is soon going to be exhausted on housing alone. Third, the £25 million quoted as total investment in housing in the Plan covers only the 40,000 houses, and nothing of the investment in floors, foundations, roofs, and doors in the rural and per - urban areas, or other investment in housing in towns. The Plan states that "most rural house construction, however, is not covered in estimates of capital formation and is, correspondingly, not included in the Plan targets." (para 14-12). Thus it is that the considerable per - urban investment in housing to excluded from the Plan targets. Fourth, no account has been taken of the impact on the housing market of the Government intention to "give a lead by encouraging its own servants increasingly to provide their own houses." (para 14-10).

^{/8}. Uganda Argus, May 12th 1966.

^{/9}. Uganda Government; Second Five Year Development Plan 1966-71; "Work for Progress; Govt. Printer, Entebbe 1966.

^{/10}. Uganda Argus, July 27th 1966.

^{/11}. Uganda Argus, April 2nd 1966.

The burden then is likely to fall on the private housing market, and so it is here that more attention and information collection is necessary. In the private market, the patterns depend critically on the level of income, the race, and tribe of the consumer. The Kampala Tenants' Association, for example, is predominantly representative of lower/middle income Asian residents and shop-keepers, and the usual means of an Asian to get accommodation is to approach a broker, who will not be a registered agent with his name in the classified telephone directory. One would expect that relatives would be likely to help in these cases as well. An African fresh into town looking for employment will usually stay with a relative until he gets a job, and only then start looking for accommodation, which will usually be a single room. However, a Muganda around Kampala, a Busoga round Jinja etc, will have closer ties with the area, and his attitude is likely to be distinctly different.

We can expect then, a rather small role for the estate agents of the Nairobi/U.K. type, and this is reflected by the classified advertisement columns of the Uganda Argus compared with those of the East African Standard. The role of this type of institution is further curtailed by the extent of employers provision of housing. There are however five property agents listed in the latest telephone directory for Uganda. As more, and a greater proportion of housing falls into the private market we would expect informalised personal contacts to become increasingly formal and institutionalised, although how long this will take to happen is very uncertain.

Firms housing is more extensive in rural areas than in towns (e.g. Modhvani at Kakira, and Kilembe Mines), but a notable exception is the East African Railways and Harbours Administration. The whole field of firms housing does not seem to be terribly urgent and it is felt that the work necessary to get a detailed picture would be too time-consuming for the results forthcoming.

V. Rents and Rent Control.

There are at least two valid methods of calculating an economic rent, that based on market price fixed by supply and demand, and that calculated on a full-cost basis. Of the two only the latter can be guaranteed to repay costs, if it is assumed that rents can be kept high in circumstances where market forces would determine a low rent. Therefore a Government all-purpose house could be let for a many times higher rent in Kampala than in Entebbe, or even more so than in Gulu. In an equilibrium situation in a near-perfect market the market and cost-based rents would be virtually equal since houses would be built by landlords in such a way as to make normal profits, so the houses built would be related strictly in cost to the rent that could be charged. It follows of course that where there is a housing shortage then the market rent will be higher than the cost based rent and so super-normal profits will be earned, and where there is a surplus of housing then the market rent will be lower than the cost-based rent. We can apply this type of analysis to the various sub-markets in turn, based on the capacity and willingness of tenants to pay the relevant rents in a series of income groups.

In the U.K. "the proportion of total consumers' expenditure on housing has been fairly stable at under a tenth throughout the post-war period" ¹². (P.160 footnote 1). Building Societies appear to use the standard of a 25% of income maximum in housing loan repayments. The Kenya Housing Report ¹³ states that:

"Nowhere in the world, to the knowledge of the Mission, has there been an adequate study of the proportion of income that families of given income levels can afford to pay for housing. The general assumption is that they can afford what they spend. Thus, in the usual demand analysis, the mean proportion is calculated and used when both income and housing expenditure data are available, generally with little attention to the extreme variations even within income levels. Worse still, there are some analysts who make an arbitrary judgement as to what families should be able to pay." (para 94).

¹². L. Needleman; The Economics of Housing; Staples Press, London, 1965.

¹³. Bloomberg and Abrams op.cit.

However in presenting statistics on the percentage of population able to afford various Housing expenses, the proportion spent on housing given is in the range 10% to 25% - so we may take anything over 25% as a disproportionately high proportion of rent to income. The major problem here is household composition, with its concomitant demand for space and food, and a method of handling these will be put forward in a late section of the paper.

No cost of living indices in Uganda exist at present that include any realistic figures for housing expenses. Some statistics are available though, notably in the expenditure patterns surveys ¹⁴, although these are very aggregated.

Table VI.

Variation of total expenditure and rent by income group and family status

	Income Group A		Income Group B				Income Group C			
	W/O Dependents		W. Dependents		W/O		With Dependents			
	Shs	%	Shs	%	Shs	%	Shs	%		
<u>Kampala</u>										
Average Expenditure	129.07		160.68		149.87		184.17		221.24	
Average Rent	7.09	5.5	7.22	4.5	13.47	9.0	6.73	3.7	5.47	2.5
<u>Jinja</u>										
Average Expenditure	155.54		180.63		170.36		214.99		267.66	
Average Rent	8.06	5.18	12.79	7.08	8.79	5.16	14.24	6.63	3.24	1.21

Sources: Patterns of Income Kampala 1964, Jinja 1965
Appendixes VII.

Additionally we have been given the number in each income group:

Table VII.

Number of respondents by income group.

(i)	Income Group A	Income Group B	Income Group C
<u>Kampala</u>			
No. of Respondents	113	50	17
No. paying rent	38	18	6
% of respondents paying rent	33.6	36.0	35.3
<u>Jinja</u>			
No. of Respondents	71	55	24
No. paying rent	39	26	5
% of respondents paying rent	54.9	47.3	20.8
<u>Range of income Group Shs.</u>			
Kampala	up to 139	140-169	170
Jinja	up to 149	150-199	200
Sources: As for Table VI	(i) Appendixes V. (ii) Tables 3.		

¹⁴. Uganda Government; Patterns of Income, Expenditure and Consumption of African Unskilled Workers, (various towns); Statistics Department. Ministry of Planning of Community Development.

Using Table VI first we see that rent in fact forms a much lower proportion of expenditure than we might expect, and that as the size of household rises and income rises, not only does the proportion of income spent on rent tend to fall, but so also does the absolute average of rent paid. However, if we turn to Table VII we find that only in the lowest paid group in Jinja was there more than 50% of the respondents paying rent, so the averages are not really valid. Other than calculating the average rent paid by those actually paying rent, further analysis on the basis of tribe and length of stay would be useful, since no rent paid could represent, at the extremes, home ownership or sleeping in a go-down. Irregular payment of rent could be another explanation of an apparent low rent level. It is possible that even if the individual returns in these surveys were examined, then we should not even then get satisfactory explanations of the variables, but of course this would be a lot better than the averages in the reports. The middle income survey in Jinja is apparently unlikely to be published - it covered basic incomes of Shs.300/- to Shs.1,000/- per month. Out of a sample of 150 there are 100 useable final budgets, 24 of which are police and prison's staff who are allocated free housing. This leaves 76 budgets, in other words half of the original sample.

One might have assumed that fairly detailed budget studies would be carried out before legislated minimum wages were calculated. However, from the statistics presented in the report of the Advisory Board ¹⁵, very little seems to have been done. For Kampala and Jinja a monthly rent of Shs.20/- is assumed out of total minimum expenditure for a single man of Shs.135/02 and 112/47 respectively. For Masaka, Mbale and Tororo the rents are Shs.15/- out of Shs.109/15, 119/98, and 105/62, and for Gulu, Fort Portal and Masindi no rent is allowed for out of Shs.84/71, 85/52, and 95/94. For the same towns, but for a family, the same rent figures have been assumed. This suggests that little use has been made of the Statistics Department's surveys in the calculation of legal minimum wages for Uganda. Information from the Kampala - Mengo Regional Planning Mission suggests that for Kampala, single room rents vary from Shs.25/- to Shs.75/- per month depending on location and facilities. This appears to be confirmed by some pilot results from the Gugler/Klein labour survey, and from the pilot results in Entebbe of my own survey.

The Okae Commission Report ¹⁶ remarked that:

"The quantity of comprehensive rental evidence offered covering the complete range of properties was disappointing." (P.15) This remark seems justified. If there is a shortage of accommodation, other things being equal, one would expect the proportion of GDP accounted for by rents to use. Therefore a series comparing monetary GDP with Rents would be very interesting. Unfortunately this is not possible in Uganda since the Rents figures are imputed to a very considerable extent.

"Hardly any information is available regarding the quantity of housing or the prices paid. The following procedure has been adopted. It has been assumed that expenditure on housing amounts to 10 per cent of income in the following groups:

1. Employees in Private Industry
 - a) Europeans
 - b) Asians and other
2. Employees in Public Services
 - a) Europeans
 - b) Asians and others
3. Taxpayers (individuals excluding employees)
4. Africans in Kampala, Masaka, Jinja and Mbale.
....." ¹⁷ (P.114).

¹⁵. Uganda Government; Report of the minimum Wages Advisory Board, Govt. Printer, Entebbe, 1965.

¹⁶. Uganda Government; Report of the Commission of Enquiry into the structure and Level of Rents; Govt. Printer, Entebbe, 1964.

¹⁷. Uganda Government; The Real Growth of the Economy of Uganda 1954-62; Statistics Division, Ministry of Planning and Community Development, 1964.

As mentioned above in section IV, at present rent control discussion is the responsibility of the Minister of Commerce and Industry. Rent control existed in Uganda from 1943 to 1960, on a gradually diminishing range of properties, and in 1964 a Commission of Inquiry under the Chairmanship of J.M. Okae M.P. was set up "..... to make recommendations concerning the necessity, if any, of reintroducing rent control"^{/18}. (Para 1) This commission did not recommend the reintroduction of rent control, but it was "recommended that an independent three main tribunal be set up to be known as the 'Rent Appeals Tribunal'" (para 65) - In the event neither rent control nor the tribunal were actually set up. Papers have been submitted by the Kampala Tenants' Association to the Okae Commission, and recently to the Minister of Commerce and Industry, pleading for the imposition of rent control. The recent effort came to naught when the Minister, the Hon. C.J. Obwangor, reasserted the Government's contention that rent control was impracticable, and that tenants should make efforts to build their own houses.^{/19} The question of rent control is a very difficult one in a country such as Uganda. If we assume that we are dealing mainly with Asians in towns even then control would need stringent and extensive measures to make it effective. This is the assumption that the Minister appeared to make: "It is, so Mr. Obwangor claimed, a problem affecting mainly the Asian Community."^{/20}, and his advice at a meeting of the Kampala Tenants' Association that tenants should build houses rather than send their money out of the country. However, it has by no means been proved that it is only the Asians who are suffering from very high rents, and extension of rent control into the peri-urban areas would be completely out of the question if it was to be enforced.

"In general enforcement of controls requires primarily an enforceable law, an administration or commission equipped to enforce it steadily and impartially, regulations under the law that are made clearly and efficiently as experience in dictates, and a public and court sympathetic to enforcement." (P.40 Ghana Report op.cit).

It is difficult to imagine all these conditions existing in Uganda, so basically the Minister seems to be right in advising the building of more houses, but it is difficult to avoid the conclusion that the Government is relying exclusively on exhortation in solving the housing problem.

In Kenya rent control has always existed on commercial premises in towns since 1943, but control of residential rents has recently been reintroduced. A considerable debate is going on on what the consequences of the new legislation will be, and the experience from this legislation will certainly be of great interest despite the great differences between the urban population structures in Kenya and Uganda. The basic case against rent control is put by Needleman (op. cit)" after a generation and more of confiscatory rent control, few private landlords are likely to be willing to sink their capital in rented property for even twenty years. The consequence is that hardly any private dwellings are now being built for letting in Britain." (P.122)

VI. Finance.

If more houses are to be built in both the public and the private sectors then the sources of finance must be available. In this field a considerable amount of work has still to be done on the details of financing of houses as so far¹ have only attempted to look at the types of institutions that do loan money for house building. Building Societies are the most obvious source, but unfortunately no building societies are lending in Uganda following the withdrawal of funds in 1961 from these largely Kenya - based institutions, so lending operations were suspended in 1961. In 1964 the distribution of business by the Savings and Loan Society Ltd. was: Kenya 85%; Tanganyika 9%; Uganda 6%.^{/21} This society, the largest in East Africa was thus rather marginally operating in Uganda anyway. In 1963 a summary of the First Permanent Building Society's operations in East Africa looked as in Table VIII.

^{/18}. See footnote 17.

^{/19}. Speech to K.T.A. 716 October 1966, and Uganda Argus report 21st October, 1966.

^{/20}. Uganda Argus editorial 21st October, 1966.

^{/21}. J. Loxley; PhD thesis for University of Leeds.

Table VIII.

Summary of the East African Operations of the First Permanent Building Society as at 1963.

	<u>Deposits</u>	<u>Mortgages outstanding</u>
Kenya	1,535,439	2,772,247
Tanganyika	1,572,076	1,669,877
Uganda	747,185	631,414
Zanzibar	66,737	61,381
	<u>3,641,797</u>	<u>5,134,919</u>

Source: J. Loxley: PhD thesis University of Leeds.

The substantially overlent position of this, and the other building societies, was mollified by loans from the Commonwealth (lately Colonial) Development Corporation, so that they did not collapse completely. Subsequently the CDC has invested about £500,000 in the Housing Finance Company of Kenya Ltd., a joint CDC - Kenya Government venture, using the administrative resources of the First Permanent in Kenya, and lending at 8½%. The Uganda Government is hoping to set up a similar institution in the near future (para 14-9); and preliminary investigations have been carried out.

In addition to Building Societies, Life Insurance Companies are a recognised source of building funds as they can lend against the security of a life insurance policy and the house involved. In Kenya most of the mortgages that Insurance Companies have on large buildings ^{/22.}, and it might be difficult to get a detailed breakdown of assets. The technique of this kind of loan is described by Needleman:

"When loans are made for house purchase they are usually combined with a life insurance endowment policy of the same amount and period of the loan. Interest is paid on the loan but there are no repayments of capital. At the same time, constant premiums are paid on the endowment policy until it matures, when it is used to repay the loan. If the borrower dies before the end of the period, the policy matures at once and again repays the loan." ^{/23.} (P.128)

The Commercial Banks are not in the market for housing loans, but certainly do on occasions give loans for this purpose. At present one case is known where a loan has been given to an employee to build a house at Katali. The Uganda Credit and Savings Bank used to give a substantial number of loans for house building, especially being tied to a scheme for civil servants not entitled to housing, set up in 1955 in collaboration with the African Housing Department, and applied in particular to the Ntinda home-ownership estate. I have yet to check the statistics with the bank, but from the annual reports it appears that 12 such loans were given in the four years during which the scheme operated. In 1960/61 a senior civil servants housing loan scheme was started, with government guarantees, but this apparently had little success. The 1961/62 Annual Report stated:

"In the absence of any other form of building society ready to lend to Africans, the Bank has lent substantial sums for the completion of permanent dwelling houses. It may not be generally known that the Bank is responsible for the building loans made to African civil servants, in addition to catering for the needs of the general public, and as each individual loan is of necessity large and can only be repaid over a long term, housing loans have absorbed a considerable proportion of the Bank's capital. During the year 35 loans amounting to Shs.648,045/00 were approved." at a 9% rate of interest.

^{/22.} Loxley op cit.

^{/23.} Needleman op cit.

A number of the relevant statistics have been gleaned from the Annual Reports of the UCSB and they appear in Table IX, but unfortunately the extreme in-consistency of the reports does not allow continued series. I shall be approaching the Uganda Commercial Bank to ask for statistics to complete specific series in the table.

The Uganda Commercial Bank does not give loans for house construction. In an interview recently the Managing Director of the UCB, Mr. Joseph Kubiru said:

"Since last year we have ceased to be a Building Society. This type of finance is no longer available from the Uganda Commercial Bank. We are strictly in business and we intend to stay." ²⁴.

It is not immediately clear how a building society differs in theory from a housing cooperative, for it fulfils the functions of a savings bank and investment in housing. The merit of a housing cooperative in relation to a pure building society like those already in East Africa is that it can take any form suitable and appropriate to the group of people that it caters for. Thus an Ismaili housing Cooperative will differ substantially from Trade Union housing Cooperative, particularly in the sources of finance and the question of sanctions against defaulters. In the former case the Diamond Jubilee Investment Trust has invested a considerable amount of money in houses and shops/residences in East Africa. A housing scheme was started by the Ismaili community in Uganda in 1950, and in Tanganyika there are 30 Ismaili housing cooperatives with 1000 families housed. ²⁵. There is a specific aim by this community to house its members in reasonable standard accommodation. In contrast there is little experience of housing cooperatives outside this closed community, at least, none has come to my notice. A projected Uganda TUC scheme ²⁶ was wishful thinking, and no progress has been made with it. Some work has been done in internal Government documents on the setting up of building, saving and loan associations, specifically for Tanzania and also in Uganda. Certainly in the projected scheme at Ntinda, involving self-help and core-housing some finance will be necessary on a loan basis, but as yet there is no institution that can give it. In fact a relatively easy way of giving loans is for specific durable pieces of investment such as foundations, doors, windows, roofs, and this could also be used for improving the standard of existing houses. This type of institution is extremely underdeveloped in Uganda.

The role of private money lenders in the housing market is completely unknown to be at present, but one can expect that they do have some activity in housing finance.

VII. Subsidized Institutional Housing.

Uganda public servants in the higher grades are entitled to the benefits of heavily subsidized high quality housing - this increases considerably the real income of these beneficiaries, but at present I have not consulted the tax departments to find out on what basis this extra income is taxed. Since high level public manpower gets this privilege, then to be competitive the private employers must also extend the practice to their equivalent employees. I shall not attempt a detailed description of the methods of allocating houses to public servants, or of the documents detailing the history of housing entitlement in the colonial and Uganda public service - the practice has been continued from the days of the Protectorate without any apparent effort to change the policy. Suffice it to say that all published advice proffered to the government has been to the effect that it must end its housing responsibilities except in the case of remote areas, and probably also in the case of expatriate employees on contract. ²⁷. ²⁸. To date the Government has taken no steps to implement this advice, and recently contracted to rent half of the flats constructed by the National Housing Corporation at Bukoto. ²⁹ These flats are let to the general public at Shs.500/- per month, but to civil servants at Shs.100/-. The result of this policy is that the real value of housing is obscured to a considerable body of the population, and the quality/cost relationship in the whole housing market is divorced from the artificial government provision of houses.

²⁴. The People, 30th June, 1966.

²⁵. Loxely: op. cit.

²⁶. Uganda Argus

²⁷. Uganda Government; Report of the Government's Housing Policy Committee; Govt. Printer, Entebbe 1962.

²⁸. Uganda Government, Civil Service Salaries Commission 1965

²⁹. Uganda Argus, 19th August 1966.

M.A. Tribe.

The upshot is that the present stock of houses in Uganda is not related to the real effective demand, so that many people renting Government "pool" houses, would not be prepared to pay the full economic (cost-based) rent, and if these houses were put on to the free market in the main towns one would expect demand for them at this rent to leave a number of them empty, and the displaced public servants would be forced into lower quality housing, raising the rents there in the stock period. The Scaff Report ³⁰ put the case for removing the housing responsibility rather well:

"The effect of the practice of subsidizing the rents of higher paid civil servants as well as lower income families on the African housing estates has been practically to eliminate the interest of private individuals in owning their own houses. The market in housing is greatly depressed, and private developers are discouraged from investing in the face of heavily subsidized rents. Unless the situation can be corrected and the subsidies lifted, the Government is faced with an impossible problem of creating thousands of new houses for Kampala's increasing population and pouring scarce resources into the continued subsidy of rents." (para 20)

The result of such subsidized rents in the high income levels is shown well in the Okae Commission Report: "We were struck by the general lack of appreciation of the true market value of property at the present time and also the real value of money relative to the values of older properties at the time they were built. Many tenants, either through fear of the Commission acting on their words or through lack of appreciation of the real value of money, were unable to related what they considered as reasonable rents to rents which could be economic". (para 53) The result of Government policy is therefore a misallocation of scarce resources into this high quality housing, and a considerable embarrassment in the Government's capital budgetting and employment policies. On the 2nd February this year the then Minister of State, the Hon. G. Ibingira, replied to a question in the National Assembly thus:

"There are 65 Public Officers with their families (114 persons) at present accommodated in hotels, and since 1st July 1965 a sum of Shs.460,096/50 has been spent. The position of course, changes almost daily."

Until alternative provision has been made for public servants to house themselves, through for instance the provision of a mortgage scheme, it would seem to be impossible to change the present policy without giving rise to even more anomalies. It is difficult, for example, to see how different terms of service can be given to new officers compared with present officers on the same scale. A transition period seems to be called for, during which all government "pool" houses will be sold off or let at rents gradually approaching an economic level. This would also simplify the institutional responsibilities for housing between ministries, leaving only remote area housing and, probably, housing for expatriates as government responsibility.

Table X.

Some institutional rents (provisional table) Shs
per month

	2 bedrooms	3 bedrooms	4 bedrooms
Government	100/-	100/-	100/-
Kampala CC.	70/-	125/-	125/-
KCC to non-entitled officers	200/-	320/-	320/-
KCC to non-officers	400/-	640/-	640/-
UEB	195/-	265/-	337/-
UEB to non-UEB staff	585/-	585/-	1,180/-

Sources: Discussion in Kampala - Mungo Regional Planning Mission.

VIII. Land Tenure and Urban Development.

The land tenure question enters the housing market in two distinct ways. First there is the availability of land on which to build, and second there is the matter of security of loans. The two are related in the final analysis, but separation at this stage should help. Inside towns the market and availability of land is determined by the local authorities, and in Kampala the Lands Committee is concerned with allocation, price, and the terms of leases. Outside towns the land tenure situation is still not quite clear to me, apart for the well-documented case of Buganda. This is where we move into the second aspect, for sale of land involves change of ownership, and a secure title to land is necessary for a loan to pursue development. So investigation of the land tenure implications on the housing market needs to pay attention to these conditions. A further difficulty is the use of land as security against loans from alien based financial institutions, but this will gradually become less of a problem. Some information on the working of the land market on the fringes of Kampala is already available, but more work needs to be done to get any useful conclusions, or comparisons with inside Kampala. Information from titles offices should be very interesting.

The land tenure question has recently ripened on that of urban development, for although the Kampala City Council insists that there is still plenty of land available inside its borders, the central Government pilot project for a new structure for Kampala has had to go to Ntinda, outside the city boundary, since the city could not, apparently, make land available. Thus, in addition to the tenure questions above, the actual allocation of land piece by piece would also be a necessary part of a comprehensive study. As to the future, the gradual expansion of towns will bring in its wake many tenure problems which do not concern us here.

Urban development involves questions of philosophy as well as physical planning. This is well reflected by a quotation from a town planning conference held in 1956: "The most striking thing about Uganda is that its Africans do not know how to live in towns." ^{/51} (P.7). The Africans in Uganda do want to live in towns, and from this follows the need to design towns suitable to Ugandan rather than alien conditions. In the past there has been a danger of excessive concern about town planning and building standards, and insufficient in getting to a minimum cost, but it seems probable that the worst period ended

^{/51}. Uganda Protectorate; East African Town Planning Conference 1956; Govt. Printer, Entebbe, 1956.

[/]assumptions behind all urban Development Plans is that

with the introduction of grade II and Temporary housing regulations in 1956. At present a lot of attention is being focused on to slum clearance ^{/32}, but this, or urban renewal as its proponents prefer to call it, merely reduces the stock of houses in one price band, and increase the stock by a smaller number at a later date in a different, higher, price band. It therefore contributes negatively to the overall supply of housing despite improving housing standards. So if the displaced occupants are to live in the redeveloped area they have to be subsidized fairly considerably. An example of this experience can be found in Central Lagos ^{/33}, and calculations for Calcutta are that to rehouse 189,000 "bustee" families about \$ 282 million would be required to build the housing, and a further \$ 26 million per annum for subsidies - "The expenditure of such sums of money on one city for slum rehousing is clearly impossible." ^{/34}. (P.69) The proposed Kisenyi urban renewal scheme (see above) was to have had a capital investment of £1.8 million for 1,076 dwelling units, or say no more than 5,000 people. This scheme has been indefinitely postponed for the reasons given above.

IX. A Housing Survey.

Some surveys with statistics on housing have been carried out in Uganda. The "Patterns of Income" have some of the data necessary to get an idea of the significance of housing in budgets. Other than this there is Southall and Gutkind's work on Kisenyi and Mulago in the mid-1950s ^{/35} and work in the Kampala Mengo Regional Planning Mission on Naguru/Nakawa estates and Nakasero/Kololo plus some follow up work on Kisenyi. Of these I have some detailed statistics for Naguru/Nakawa and Nakasero/Kololo. Additionally there is some work done at Makerere by the Sociology Department and Ralph Grillo on Nsambya Railway Estate and Kibuli. It is apparent from this list that few of these fulfil the condition in section I here of "the demand for housing of those who work in town," rather this tells us something about those already living in an urban area.

It was particularly hoped that it would be possible to do some calculations on income elasticity of demand for housing, and here some further problems arose. The most obvious was the difficulty of handling those living on subsidized estates, which ruled out a good deal of the information available. Another question was that of how long a person had been in an area and so how much he knew about the market for housing, and whether he was living in his home district or not. The third question was how to handle differences in the size of household with its various expenditures on food and demand for living space. A further factor was the location of dwellings in relation to work place and the town, and whether the wage income was the majority of total income. Finally it was difficult to get a sufficiently wide income range with comparable data. So the answer to these problems seemed to be to collect some of my own data. The result is 1½ surveys. The half is that part of the Gugler/Klein labour survey that I am participating in, and from this data on an income band from about Shs.300/- to 1,000/- per month should be available for employees in private industry in Kampala. The second is a Public Service housing survey being undertaken with the support of the Ministry of Public Service. This latter sample survey covers public servants who are Uganda citizens earning roughly Shs.200/- to 2,000/- not entitled or eligible for housing from the government, working in Kampala, Entebbe, Gulu, Kabale, and Mbale, and likely to be posted. Table XI gives some pilot results obtained when the draft questionnaire was tried out Entebbe, but the table excludes data on the construction of the houses, which will also be collected, and also a question which has been added subsequently on housing aspirations. No analysis has here been attempted, and the

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- ^{/32}. UN/ST/TAO/Uganda/1 - Chapter 5. The Kisenyi Urban Renewal Scheme.
 - ^{/33}. P. Marris; family and Social Change in an African City; Northwestern University Press, 1962.
 - ^{/34}. International Union of Local Authorities: Renewal of Town and Village III; Publication 82.
 - ^{/35}. A.W. Southall and P.C.W. Gutkind; Townsman in the Making; EALSIR, Kampala, 1957.

results are given merely as an indication of the type of data being collected. The results have, of course, no statistical significance, but probably do not differ much from the final results in their overall shape.

We have a considerable amount of data here which can be processed. The basic figures are those for income elasticity of demand, and here I am hoping to use methods adopted in a U.S. study by M.H. David ^{/36}. I have yet to thoroughly digest the precise relationships that he uses, but basically it gives an income elasticity allowing for different numbers of rooms and size of household. It will be possible to compare rents with distance from town, rents with type of construction, length of stay in town with home ownership, number of people to a room, home ownership with district of origin etc. It will also be possible to see whether there are any significant differences between towns in these characteristics.

From data collected in these two surveys it should be possible to make some predictions about the future developments in housing, and the likely ratio of house-owners to renters. It is intended that a follow-up will be done on the public service survey to check up on answers and find out building costs, methods of finance, landlord/tenant relationships etc.

Conclusion.

This rather lengthy paper is in the nature of a mixture between a procedural paper and a paper giving preliminary results. It is hoped that this has not been too much to its detriment. Some gaps have been left intentionally and explicitly, but others surely exist - I hope to fill both types in the remainder of the study.

^{/36}. M.H. David; Family Composition and Consumption;
North - Holland Publishing Company, Amsterdam, 1962.

ERRATUM P.B.

The Uganda Commercial Bank does give short period loans which cover the building period of a house only up to the obtaining of an occupation permit.

Table XI: Pilot Results - Entebbe.																		
	Government housing estate	Private Landlord	Owner	Rest house etc.	Distance from work	Transport	Stay in this town	Posted	No. of time Posted in 2 years	Stay in this house	No. of rooms	No. of people using laboratory	No. of people in house	Rent	On waiting list for Government house	Salary	Tribe	Year born
G 2			✓		7	M/cycle	22	NO	-	6	5	10	11	-	NO	1795/55	Ganda	1924
G 2			✓		2	Car	27	NC	-	22	5	NR	10	-	NO	2095/-	Ganda	1921
G 3			✓		7	Car	NR	NR	-	23	4	12	12	-	NO	1305/-	Ganda	1917
G 3		✓			4	-	0.3	YES	2	0.3	2	2	1	55/-	YES	1375/-	Acholi	1931
G 4	✓				1½	Bicycle	13	YES	-	9	2	7	7	52/-	NO	903/-	Teso	1933
G 4		✓			2	Bicycle	2.3	YES	1	1.3	2	8	5	50/-	YES	827/-	Acholi	1932
E 2-1		✓			3½	M/cycle	4.1	YES	1	4.1	2	5	3	70/-	NO	826/-	Ganda	1940
E 2-1		✓			4	Taxi	0.5	YES	2	0.5	3	20	2	60/-	NO	750/-	Nyoro	1938
E 4-3	✓				2	Walk	4.4	YES	-	2.2	2	2	2	50/-	NO	436/-	W.Nile	1940
E 4-8	✓				2	Walk	9.7	NO	-	3.7	2	2	5	52/-	NO	432/-	Ganda	1934
E 6-5		✓			2	Walk	3	YES	-	3	1	5	2	15/-	NO	216/-	Ganda	1945
E 6-5	✓				2	Walk	4	YES	-	3	2	3	3	52/-	NO	307/-	Ganda	1941
N 2	✓				2	Walk	4	YES	-	0.3	2	3	4	40/-	NO	536/-	Ganda	1930
N 2	✓				¼	Walk	6	YES	-	6	1	5	2	10/50	YES	539/90	Ganda	1926
G	✓				1½	Walk	6	NO	-	4	1	3	3	33/-	NO	270/-	Ganda	1942
G		✓			½	Walk	1.3	NO	-	0.3	1	20	1	35/-	NO	161/-	Bukodi	1944
G		✓			1½	Walk	1.6	NO	NR	1	1	20+	2	30/-	NO	161/20	Gisu	1943
G		✓			3	Walk	15	YES	-	3	2	20	9	30/-	YES	270/40	W.Nile	1905
					Mls		Yrs Mon-th			Yrs Mon-th				Shs per Mon-th		Shs/ Month		

Table IX.

Uganda Credit and Savings Bank - Housing Loan Statistics

1	2	3	4	5	6	7	8
Year	Total No. of new loans approved	Total amount of new loans approved Shs '000	No of loans outstanding	Amount of loans outstanding Shs '000	No of loans for erection and repair of residential buildings *	Total amount as for Col. 6 Shs '000 *	Amount of loans outstanding for residential including Shs '000
1950	166	829	166	829	32	163	-
1951	637	3678	707	2523	112	1447	-
1952	569	3594	1099	4953	70	1233	-
1953	357	2047	1285	6126	35	548	-
1954	112	447	1151	5050	12	130	-
1955 ¹ / ₂	34	195	991	4311	2	21	-
1955/56	122	713	787	3371	15	299	-
1956/57	191	3115	729	3052	3	30	-
1957/58	-	-	567	4990	-	-	-
1958/59	-	2733	465	8866	-	-	-
1959/60	-	-	434	6045	-	-	-
1960/61	-	-	450	9156	-	-	-
1961/62	-	-	-	-	35	648	-
1962/63	-	-	-	-	-	-	2047
1963/64	-	-	-	19939	-	-	1407
1964/65	102	3340	-	19404	-	-	-

Source: Annual Reports: Uganda Credit and Savings Bank 1950 to 1964/65.

Notes: Not split between residential and Commercial buildings before 1959.

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