

IMPROVING THE NATURE OF RESIDENTIAL HOUSING: STRATEGIES FOR BETTER LOW INCOME HOUSING IN UGANDA

LOW INCOME HOUSING

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In this article the author examines the different strategies that can be adopted in order to improve on low income housing in developing countries like Uganda. Shelter is one of the three basic human needs (food, shelter, and clothing) and it's a fundamental human right. In fact article 25 of the United Nations' Universal Declaration of Human Rights 1948 states that "everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services. It's usually the first thing people spend on besides food. Government in developing countries recognize that the magnitude of the country's requirements for housing need collective effort from different players including the government itself, Non Governmental organizations and the private sector. It is emphasized that income is a strong determinant of the quality of housing in any a society. Inadequate housing for low income earners is determined by their inability to rent or purchase better and decent dwelling units. Secondary data on the best practices and strategies was used to in the study.

1. Introduction

The second part of this paper gives the background to the urban low income housing situation in Uganda. The third part articulates the purpose of the study. The fourth section presents the conceptual framework that guides the study. Section five concentrates on the methodology used in the study whereas the sixth examines the relationship between urbanization and low income housing. The seventh section presents data on the nature of housing for urban low income earners. In the eighth section the author examines the affordability factor in low income housing. The last section concentrates on the strategies that can be adopted to improve low income housing in developing countries.

2. Background

Shelter is one of the three basic human needs (food, shelter and clothing), and a responsible society has an obligation to prevent people from dying out in the cold (Orlebeke, 2000). This means that the need for shelter is a fundamental human right. Article 25 of the United Nations' Universal Declaration of Human Rights 1948 states that "everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services.

The amount one spends on housing should be just at least a third of one's income, to help him or her to spend on other family needs. Different studies have shown that in ideal situations the actual portion of household expenditure devoted to shelter is usually between 15-25 percent. Though it's usually the first thing one spends on besides food. Developed countries like the United States have set housing related goals which aim at not just providing shelter but a decent home and a suitable living environment for every American family (Orlebeke, 2000).

In 1988, the United Nations General Assembly adopted the Global strategy for shelter to the year 2000. This strategy called for a shift in national housing policies in the shelter sector with the government creating conditions under the private formal and informal sectors, individual, families, businesses, nongovernmental organizations and community groups could more effectively contribute to the shelter production and improvement process (UNCHS Habitat, 1990a). This called for institutional reform, revision of building laws and regulations as well as steps aimed at facilitating the access of the low income earners to significant resources for housing development, especially land and finance. This strategy could best be implemented through partnership between the public, private for profit and nonprofit organizations.

Uganda National Housing Policy has been evolving since the country got independence in 1962, with the government coming up with policies to improve on the housing situation in the country. In the 1970s and early 1980s' the housing sector in country was adversely affected by political instability making it difficult to implement housing related policies. After 1986 the country becomes relatively stable making it easy for different stakeholders to play their different roles in housing provision. In 1992, Uganda came up with the National Shelter Strategy, whose overall objective was to improve housing conditions and ensure adequate shelter for all Ugandans by the year 2000. In this strategy the government of Uganda recognized the magnitude of the country's requirements for housing which needed collective effort. Currently the government of Uganda is in advance stages of developing a comprehensive national housing policy.

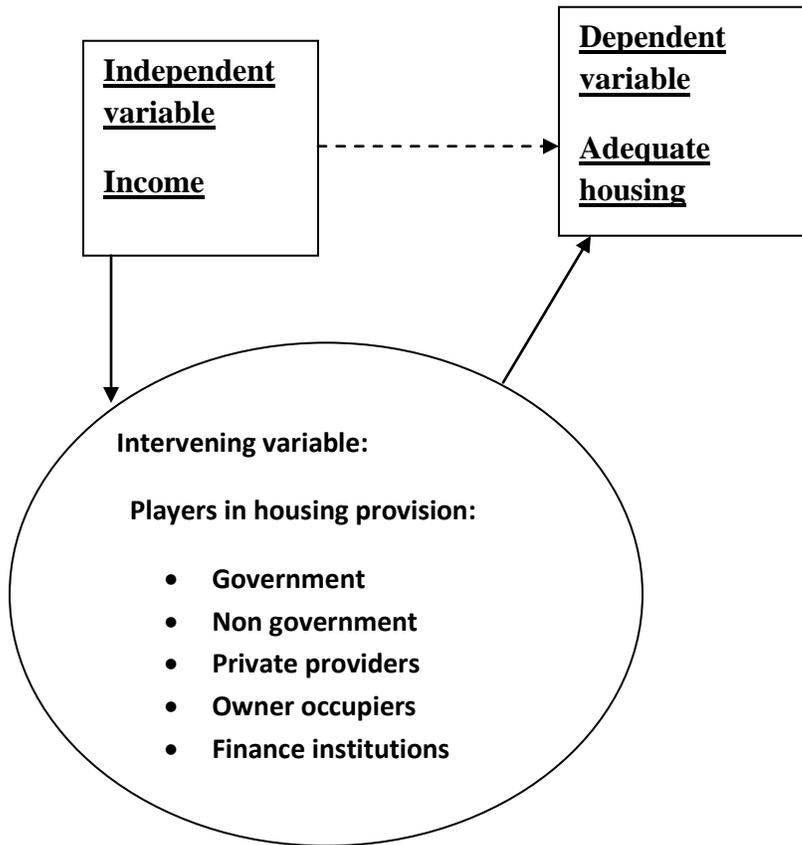
It should also be noted that by 2012 Uganda, had about:

- 34.1 million Population 5.8 million in urban areas and 28.3 million in rural areas;
- 6.82 million households living in 6.2 million poor houses. Of these, 84% are temporary while 28% are constructed using traditional materials (Uganda Bureau of Statistics, November, 2010).
- Mud-and-wattle dwellings constituted 46% while brick houses take up 51% and, at 73%, earth floors are dominant while cemented floors at 24%, iron-sheet roofed houses 63%, while grass-thatched housing constitute 35%, respectively. This creates a backlog of 1.6 million housing units comprising sub-standard structures not fit for human habitation, presenting a housing deficit of 211,000 in urban areas and about 1.3 million in rural areas, the national housing indicators, 2012-2020 shows (Ogwang, 2012).

3. Statement of purpose

Income is a strong determinant of the quality of housing one resides in. Inadequate housing for low income earners is determined by their ability to rent or purchase a particular dwelling unit. The nature of physical structures of the dwelling unit, the facilities available and the residential environment are strong measurements for the quality of housing. The low levels of education determined the type of job, which in turn influenced the low levels of income. Low income earners mainly reside in housing where they can pay less rent and near the place of work. The paper aims at examining the different strategies that can be used to deliver adequate and affordable housing for the low income earners. The different players in the household provision play different roles.

Conceptual framework



4. Methodology

The author used a longitudinal and comparative analytical methodology by referring to research undertaken on low income housing in developing and developed countries. China and USA because their housing sectors have developed over the years. The author review and analyzes mainly secondary data from the selected countries because there is a lot of literature on housing. the iterative nature of action research means that this research would inform other future research on housing using primary and secondary data.

5. Urbanization and low income housing

One of the main challenges of developing countries is that of providing adequate housing to the ever increasing urban population. Mountjoy and Hilling, (1999) noted that the main cause of low income urban areas in West Africa was the rapid increase of urbanizaion which the respective governmets could not cope with. Similarly the World Resource Institute, (1990) challenges us to consider migration as a contributor to the housing crisis, by pointing out that as rural people continue to migrate to urban areas, city service agencies are hard pressed to provide the basic requirements of these new residents. Indeed, rapid urbanization especially in Africa, has for many years, been profoundly affecting the lives of city dwellers and, indeed the economies of many African countries (Tibaijuka, 2005).

In th Uganda, colonialism exacerbated the housing challenge in urban areas by encouraging urbanization. During that period, no efforts were made to put up policy on housing for the poor Africans. A part from the poor quality and standards of traditional housing, colonialism introduced new dimensions of the housing challenges through the movement of people from rural areas to towns; a process commonly known as urbanization (Ouma, 1991).

Kuteesa, (1995) in the study on urbanization and housing problems: case study of Kampala District, observed that prospective migrants and the natural urban population to have a pace to live is often an important factor in decision on where to go and stay. In that a migrant to an urban area would tend to go where he or she could easily secure housing. However very often migrants especially the new ones, the young and low income ones encouter difficuluties in finding good housing and instead end up poor housing with inadeqaute facilities.

6. Natural of Housing of urban low income earners

The United Nations Centre for Human Settlement-Habitat in 1993 reported that in urban areas of the developing world, between 50 and 70 per cent of the population live in informal settlements. In most low cost houses such arrangements are absent and therefore many households are unsatisfied with the tenure system. In addition to that Clinard, (1970) notes that housing units inhabited by low income earners experience many risks on live and property.

Tribe (1968) promotes the idea that the industrialization of an economy leads to concentration of workers, leading in turn to a centralized demand for housing and urban housing problem. In the Uganda case, the nature of low income housing challenge is not a new phenomena for instance Southall and Gutkind, (1958) in their book titled “Townsmen in the making” explored the housing challenges in Kisenyi and Mulago (some of Kampala’s major low income areas) in which they identified that the most housing challenges in those areas are overcrowding, high house rents and poor housing conditions.

In 1991, Batwala researched on problems of residential housing in Mulago II parish, Kawempe Division, Kampala district. She observed that the majority of houses in Mulaogo II parish lacked the basic housing facilities such as good roads and proper drainage. According to a similar research carried out by Buye (2003) on urban low income housing in Mengo parish, Kampala Central division, Kampala District, most of dwelling units for low income earners were tenements locally known as “Mizigos” constituting 71 percent of the total housing units sampled. Regarding the tenure, 81.7 percent of the low income earners were renters as compared to just 15 percent who were owner occupiers. The materials used for construction a particular dwelling unit determine the nature of housing. This is because the type of materials used for construction determine whether the dwelling unit is permanent or temporally. 98.3 of dwelling units of heads of households interviewed had roofing materials made up of iron sheets. Regarding materials used for wall construction, 68 percent low income earners resided in houses built with burnt bricks. It was only 26.7 percent of the dwelling units which were built using mud and wattle. The study findings indicated that 85 of the household used pit latrines that were shared by different housing units (Buye, 2003).

Buckley, (2011) in his research on Low-income housing in Kampala city, Uganda: a strategy package to overcome barriers for delivering housing opportunities affordable to the urban poor found out that the city was struggling with a housing deficit that was compounding each year and creating market distortions that threaten to derail recent economic success and destabilize the social fabric of the community. The majority of government and private developers who build new housing are only providing units affordable to Kampala's minority of wealthy and well-

connected elites. The majority of Kampala's residents are low-income earners who currently live in unplanned slum neighborhoods that consist of mostly informal rental housing. Inflating land values, exorbitant infrastructure costs and the lack of affordable home finance mechanisms are preventing the delivery of affordable housing to the majority of city residents

7. Affordability and low income housing

The importance of housing is evidenced by the high proportion of household income spent on it. However, the income challenge of housing for low income earners can be viewed from different perspectives. Either the total household income is too low to pay for housing, or the share of income available for housing is inadequate (Mashoko, 2012). The average household expenditure on housing in developing countries ranges from 15-25% of income. In some cases low income earners pay more than 30% of their income for housing (Buye, 2003). In fact in some developed countries like the United States, federal housing programs provide deep, gap-filling rent subsidies. These programs all pay the difference between a rent contribution that is considered affordable (set at 30 percent of monthly income and the actual rent for a house or apartment. Families receive this kind of “gap-filling” subsidy if they live in public housing (owned and managed by a local public housing agency) or in privately owned developments that have long-term subsidy contracts with the federal department of housing and urban development (Turner & Kingsley, 2008).

Developing countries like Uganda, for that reason when planning need to consider the factor of affordability because housing should be within the means and appropriate for the needs of a range of low to moderate income households and priced so that low and moderate incomes are able to meet their other essential basic living costs (University of Western Sydney , July 2008).

In a developed country like Australia the situation is not any better, for example, Rosman (2002) in a study on Australia's low income earners noted that buying a house and even renting close to a major city had become unaffordable for most of Australia low income earners. Affordable housing should be appropriate for the needs of a range of low to moderate income households and priced so that low and moderate incomes are able to meet their other essential basic living costs (University of Western Sydney , July 2008). Regarding federal programs for addressing low-income in the United States, Turner and Kingsley (2008) note that monthly rent or mortgage payments constitute the single biggest expenditure in most family budgets, and many low-income families have difficulty finding housing they can reasonably afford. Although most family-strengthening and community change initiatives recognize the urgency of the housing problems facing low-income families, they often have difficulty figuring out how to constructively address them (Turner & Kingsley, 2008). It can be argued that it is normal to

have an irreducible core group that cannot afford any available housing alternatives (Mashoko, 2012).

Housing finance is mainly in the hands of the private sector. Low income earners who mainly employed in the informal sector are not in good position to access loans. The Housing Finance which was set up by the government mainly benefits people who are usually building in gazette places with land titles, reasonable sources of income and therefore one has should be in position to build with specific building materials (Buye, 2003).

8. Strategies for improved low income housing

Creating a well functioning housing sector calls for effective housing policies and strategies. Struk, (1987) emphasizes that in order to address the problems associated with the housing sector, governments in developing countries must develop realistic strategies. Failure to do so may well mean that scarce resources are wasted on wasted expensive false starts by initiating in approximately expensive or misdirected housing programmes. In addition that the changing role of the public sector from provider to that of facilitator in the shelter provision process and the promotion of the enabling concept has however in recent years, initiated the exploration and utilization of new approaches in this field whereby financial, institutional, human and physical resources are being mobilized in an integrated way.

Piloya, (1996) noted that having realized that the government of Uganda could not single handedly provide housing for everyone, the government adopted the enabling approach of housing provision. The venture was far too costly and expensive. So government adopted the role of facilitators and supporters in the national economic context of combined effort of various bodies, which included: the government itself; Non Governmental Organizations, Local Councils and private individuals. Angwao, (1998) reported that the monetisation of housing benefit policy, where the government has ceased to provide physical housing to all its public servants except judges. Instead public servants are being paid housing allowances. Therefore more effective strategies are need for improved low income housing.

Decentralization has been one of the channels used by the government to allocate resources to the citizens. Therefore housing development in the country is dependent on the local governments. The central government should identify tasks best done at a decentralized level and those that can be best done by private house provider. The Ministry of Lands, Housing and Urban Development in Uganda needs to work with other stakeholders to improve on the housing conditions of low income earners.

In the Uganda case the government of Uganda ought to design a national housing policy that promotes the participation of different stakeholders in the implementation of the policy. The policy makers should clearly document the housing demands and supply in each of Uganda's major urban areas such that they set realistic goals. Effective housing policy requires strategies that take consideration housing markets and how resources are allocated to housing and how government regulations and actions affect the access to adequate and affordable housing for low income earners.

The quality and quantity of the housing in urban areas are important aspect of the urban housing challenge. In order to improve the housing challenge, different stakeholders should take into consideration the cost of providing housing especially basing on its demand. The demand for housing coupled with the ability to pay especially for low income earners usually determines willingness to pay for a set of set of amenities associated housing.

comprehensivve affordable housing sysstem: this model was developed by Zhao Feifei. Zhao, (2009) notes that a comprehensivve affordable housing sysstem should consist of six major components:

- Policy
- Planning
- Design
- Financing and;
- Partnership

Policy sets up the fundamental framework, which greatly affects all other elements. Planning is the process which determines strategic arrangements such as land use, density and layout. Design is to figure out the detail physical layout and spatial arrangements of the project. Delivery is the process which allocates the affordable housing product into people's hands. Financing is crucial for affordable housing development; because it pieces together the money to make things happen. Partnership structure is about how different participants collaborate in each step of the development process. All the elements are interdependent and thus form a dynamic system (Zhao, 2009).

Buckley, (2011) notes that the same factors that are compounding the housing crisis in Kampala can be leveraged and reversed to create new opportunities that incentivize the private sector to deliver housing for the low-income market. Buckley recommends that:

- **Tax discounts:** Developers who construct middle-class housing products should be given tax discounts in exchange for formal commitments to deliver simple and well-planned housing estates for low-income families. This strategy provides a monetary incentive for private developers to bring their project management efficiencies into the low-income market and facilitates the government's need to placate social and political pressure to

improve the local housing sector's performance for Ugandans at all levels of household income. To achieve these goals, pre-tax profits generated by a private developer utilizing tax incentives provided through a public/private partnership with government are reinvested into low-income housing projects built by the same developer.

- **Low cost housing:** On the periphery of Kampala, where many development costs are significantly lower, new housing opportunities can be built and sold for a low price while generating a profit
- **Micro-mortgage:** Existing community groups and NGO programs can form a service network to help reduce the credit risk of low-income families and help them apply for "tax discounts" products to become homeowners and shift away from survival economics to working towards economic self-sufficiency. This program can be implemented to a large scale if supported by the "three pillars" of the "affordable housing cycle" that are:
 - a. public/private development incentives,
 - b. community training programs and;
 - c. customized low-income mortgage products.
- **Suburban communities:** Government can achieve a more diversified real estate market and establish a formal planning process for suburban communities to accommodate the approaching urbanization of the city. Developers earn strong profits while expanding capacity and creating jobs. And finally, this strategy can begin a transformative process to bring poor families out of city slums and into formal housing, providing an avenue for increased civic engagement and entrepreneurship for people stuck in the poverty trap (Buckley, 2011).

China's housing programmes

This section looks at three of China's housing programmes which can be adopted for the Uganda situation. The programmes are: the Cheap Rental Housing (CRH) program; the Economical and Comfortable Housing (ECH) Program and the Housing Provident Fund (HPF) Program.

- **Cheap rental housing (lian zu fang):** This refers to housing subsidies in the rental sector to "low-income households with housing difficulty" which can be provided in different forms:
 - "housing provision with controlled rents"- public housing provided by the government or work units with government-controlled rents;
 - "rent subsidies" - monetary subsidies to low-income households who rent private housing on the market;
 -) "rent reduction"- a further rent reduction for households who already live in public rental housing.

➤ **Economic and Comfortable Housing(ECH) “jingji shiyong fang”:**

The Chinese government created the ECH program as part of the housing supply system and it has become a major source of affordable housing for urban families. The program aims to serve lower-middle- and middle-income urban families who may not be able to purchase market-rate housing (Deng, Shen, & Wang, November, 2009). It is ownership-oriented housing provided by developers on free land allocated by local municipal governments, and sold to qualified households at government controlled prices. ECH offers only partial property rights, which constrains homeowners from selling on the open market for profit rental housing” (Youqin, 2012).

- **Housing Provident Funds (HPF):** In China the Housing Provident Funds (HPF) is essentially a compulsory housing saving program in which both employers and employees contribute a certain percentage of the employees’ salaries, initially set at 5 percent, to HPF accounts. In return, employees get low interest mortgage loans from the HPF for their home purchase (Deng, Shen, & Wang, November, 2009). Most employers (but not the self-employed) are required to participate in the plan. Withdrawals from Housing Provident Funds can be applied only toward purchasing homes (either economically affordable or commodity houses) and for home improvements. Participants can also obtain loans from the Provident Funds at favorable terms, although the lending standards are relatively strict (Barth, Lea, & Li, 2012).

US’s housing programmes

The following section looks at the Low Low-Income Housing Tax Credit Program (LIHTC) and the housing voucher programme in the United States of America

Low Low-Income Housing Tax Credit Program (LIHTC)

- The Low-Income Housing Tax Credit (Housing Credit) is the United States of America’s largest and most successful affordable rental housing production program. Individuals and companies who invest in low-income housing can take a tax credit (a dollar-for-dollar offset against other taxes) equal to their investment in 10 annual installments. To qualify for tax credit investment, properties must rent at least 20 percent of their units to households earning 50 percent of the area median income or less, or at least 40 percent of their units to households earning less than 60 percent of median income. The rents charged may not exceed 30 percent of a household’s income (Orlebeke, 2000).

The Housing Choice Voucher Program (HCV)

The housing choice voucher program provides assistance to very low-income families to afford decent, safe, and sanitary housing. Housing can include single-family homes, townhouses and apartments and is not limited to units located in subsidized housing projects. Housing choice vouchers are administered locally by Public Housing Agencies (PHAs). A family that is issued a housing voucher is responsible for finding a suitable housing unit of the family's choice where the owner agrees to rent under the program. A housing subsidy is paid to the landlord directly by the PHA on behalf of the participating family. The family then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program (US Government, 2014). The programme can help in the following:

- Provide improved living conditions for low income earners while maintaining their rent payments at an affordable level;
- Promote freedom of housing choice for low income earners
- Provide an incentive to private property owners to rent to lower income persons by offering timely subsidy payments

9. Implications

The results of this study have implications for researchers, nonprofit organizations, and/policymakers:

- (a) Policymakers can refer to the research results in developing future housing related policies. policymakers could design housing policies, programmes and projects.
- (b) This study was based on the nature of urban low income housing. Therefore, the research framework in this study can be helpful when developing relevant theories for the subject under investigation.
- (c) The study provides new housing information of low-income earners in the Uganda's urban areas. Therefore, the findings it can be used as information for students undertaking course units related to housing polices and planning.

10. Conclusion

The paper aimed at examining the different strategies that can be used to deliver adequate and affordable housing for the low income earners. The study looked into natural of housing of urban low income earners. it examined the affordability factor at the same it examined the relationship between urbanization and low income housing.

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