



# Housing Market Needs and Solutions in Kigali City

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## Overview of Urbanization in Rwanda[1]

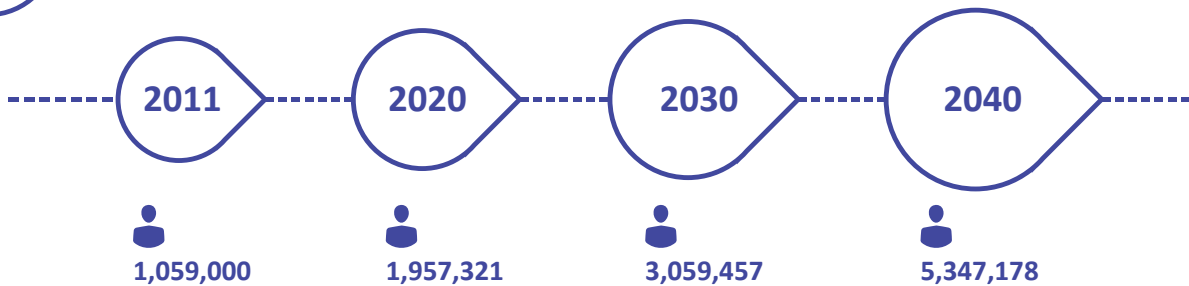
**79 %**  
of Kigali city residents live  
in informal settlements



**62.6 %**  
Countrywide, all  
households live in informal  
settlements



## Kigali's population growth projections[2]



## Kigali's housing demand by 2022[3]

**458,265**  
Dwelling units (residential  
houses) will be needed in Kigali

**31,000**  
Dwelling units will be needed  
per year up to 2022 from 2012



## Assessment of Existing Housing Stock in Kigali City as of 2011[4]



**42,710**  
dwelling units in  
good condition



**71,487**  
dwelling units fit  
to be upgraded



**108,803**  
dwelling units in  
poor condition and  
should be replaced



## Kigali's Housing supply per year as of 2011[5]

**1,000** dwelling units are supplied every year

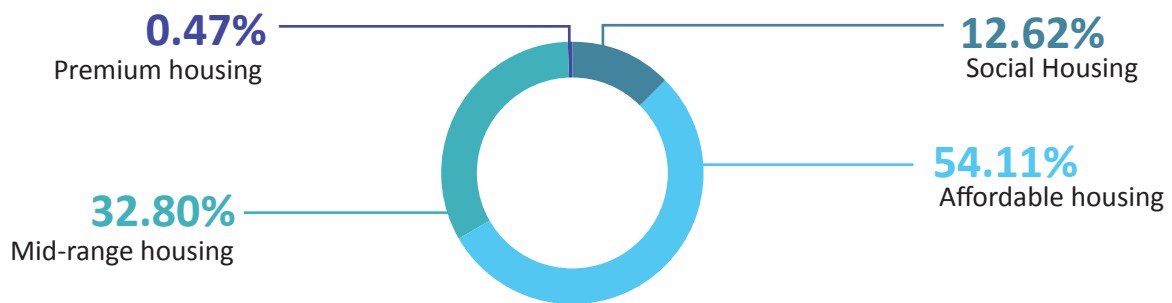


## Kigali's demand for new dwelling news could be addressed in three general ways[6]

1. Through the market, using banking and mortgage finance;
2. Through special programs and incentives or other innovative means for reaching households that currently pay rent but do not qualify for mortgage finance (for example, rent-to-own);
3. Through policies for subsidizing housing provided by the government.



## To meet Kigali's housing demand, four different housing categories based on household income and financing capacities have been proposed[7]



## Kigali's New Housing Demand Composition based on income segment[8]

Percentage	Description
78%	Demand for new housing concentrates in the lowest income quintile where households earn <b>RWF 300,000/month and less</b>
13%	Demand for new housing fall in the category where households earn between <b>RWF 300,001 and 600,000</b>
5%	Demand for new housing fall in the category of households with income of <b>RWF 600,001 to RWF 900,000</b>
2%	Demand for new housing fall in the category of the households which has a household income of <b>RWF 900,001 to RWF 1,500,000</b>
1%	Demand for new housing fall in the category of households with income above <b>RWF 1,500,001</b>



## Solutions proposed to address affordable housing challenges

- a. Engaging both academic and research institutions to devise for innovative ways, through empirical and applied research, to integrate affordable housing into microfinance schemes;
- b. Producing locally sourced low-cost construction materials;
- c. Adapting current construction technologies suitable for Rwanda's context in terms of its geophysical nature, culture, economic situation, etc.
- d. Reducing labour costs on affordable housing construction projects by involving the beneficiaries;