

By Joseph Mudingu

In 2008, RSSB, working with City of Kigali, resettled 250 households from the Lower Kiyovu, which was a shanty suburb of Kigali with spontaneously erected houses, to give room for the development of high-end commercial buildings as provided in the Kigali City Master Plan. 

In the then slummy lower Kiyovu, families that lived in one-room muddy house, were resettled in Batsinda estate, developed by the RSSB, many of who, for the first time in their lives, came to proudly own houses; two-bedrooms, sitting room, store, kitchen, bathroom and toilet.

The purpose built homes were offered for sale at 3.5 million Rwandan Francs (\$4,300) each, affordable thanks to a 50 percent government subsidy. New residents could pay in installments and would be granted titles once they were complete.

Batsinda was the first affordable housing program of its kind in Kigali. With its well-ordered gridiron layout and comfortable hillside homes, the village offered its residents the chance of a new life away from the hustle and bustle of the city.

### **Other Housing Projects**

It's not only in Batsinda that RSSB has directed efforts for providing affordable housing to Rwandans.

Eric Gasana, the RSSB Director of Investment says RSSB is one of the major investment institutions in the real estate sector in Rwanda today, having been in the trade since 2002.



Other housing programs, that include high-end commercial and residential houses, have, too, been given a good amount of consideration.

RSSB has initiated and developed about 4 housing projects in the past and currently in the process of establishing partnerships with other experienced developers to put up about 3 major projects of high end, middle income and low cost housing

“In the last 15 years, RSSB has engaged in both commercial and residential real

estate development in Rwanda. About 1200 residential housing units have been constructed and sold with categories ranging from high end to social housing" says Gasana.

"Given the impressive growth in the real estate market and backed by the high demand for decent housing, RSSB will continue to actively participate in housing development not only for attractive returns but also be part and parcel of housing development in Rwanda" he says.

Vision City project is the biggest housing project in Rwanda to date. It is a high-end residential and commercial



development.

It is the flagship project from the country's largest real estate developer Ultimate Developers Ltd and has more than 504 units, ranging from luxury villas and apartments.

It will be built in four phases over a period of eight years, with phase one already completed. In addition to residential housing, the development also has a town center, which will serve as the commercial hub of the estate.

The residential and town center facilities will both have Wi-Fi internet connection. The facilities include commercial facilities, restaurants, office complex, a luxury three-star hotel and convention center.

According to the City Master plan, at least 43,436 social houses and 186,163 affordable houses are required annually by 2022, reflecting 54 per cent housing demand.

Gasana says that geographically RSSB investments cover the whole country, in almost all the districts in especially real estate sector.

"RSSB is looking forward to putting contributors' interests at the forefront when it comes to pricing the houses. RSSB have invested in real estate in the last twenty years in a number of projects" says Gasana.

RSSB efforts are in tandem with meeting housing targets where affordable housing

development to support urbanization, expected to reach 35% by 2020, is a high-level priority.

From 2007 to-date, major focus has been directed towards the development of office accommodation, where commercial buildings to accommodate district branches have been erected and at the same time rent the rest of the space to interested tenants

According to Gasana, some of the completed projects include Vision City (504 units), Umucyo Estate (122 units), Vision 2020 (300 units) and Batsinda I (250 units), 7 pension plazas in Districts and Grand Pension plaza in the city not forgetting 50 Kacyiru Executive Apartments, Kacyiru Estates.

## **Rapid Growth**

Rwanda had the world's fastest urbanization rate from 2010-2015, according to U.N. figures, while Kigali's population is expected to swell from just over 1 million in 2011 to over 3 million by 2030.

A study conducted in 2012 by the City of Kigali in collaboration with the Ministry of Infrastructure and the European Union (EU) estimated that the city could have a housing deficit of up to 350,000 residential units in 10 years if nothing is done to address the current shortage.

The housing shortage is mainly fuelled by the growing rate of rural-urban migration, currently at about 4.8 per cent, creating need for more houses.

As the government targets to achieve at least 35 per cent rate of urbanization by 2020, it is critical to invest in infrastructure and facilities that will support this growth.

According to Gasana the demand for habitable homes in the city and other areas in the provinces is also driven by the high rate of urbanization, the rate at which the city is urbanising requires timely intervention and more investments in the housing facilities to be able to match the demand.

## **Social Housing in Balance**

Social housing was therefore launched in Batsinda where 520 units were built. The project got off ground before the end of 2015.

Social housing is let at low rents on a secure basis to the low income earners or affordable for them to buy.

Rwanda is faced with the challenge of expensive building materials, most of which are imported, having a direct bearing on the cost of housing units being considered to provide cost effective houses for low income earners.

The government and agencies like RSSB are encouraging the use of local materials to a greater extent, limit importation and lower the costs of completed houses.

“It’s also important to enhance local capacities of local producers and satisfy the local demand,” advises Eric Gasana adding that the Board’s commitment towards delivering affordable quality houses is unwavering.

Several technologies are being considered to provide cost effective, but efficient modular solutions, which can be replicated at other sites.

“RSSB is working closely with other developers to ensure that affordable housing is developed with the most efficient technologies. One of the aspects we are considering is the use of local materials so that the final product is reasonably priced”.

In Gahanga, Kicukiro district, RSSB is working with local government to acquire 100ha of land where 300 housing units will be built, subject to more houses since there is ample space for expansion.

In Nyarugenge districts, 100ha of land have been secured where 3000 units have been planned, pending implementation. Expropriation process is however underway.

### **Pressures of urbanization**

The Rwandan government introduced a new housing policy in 2015 in an effort to address the problems of residents forced out by the city’s rapid growth, development and gentrification.

New incentives and subsidies were introduced for affordable housing construction and Kigali authorities hope new housing estates like Batsinda II – now being built just down from the original project by RSSB might become a model for the future.

“Batsinda II is on course and the infrastructure has been laid and is almost completed at 50%. Construction is soon starting and will be completed in not more than 18 months” says Gasana.

Unlike the original Batsinda, only low-income residents would be eligible, with rules to stop them selling their units on to wealthier ones.

“The idea was to show that you could build a functioning community on a hill – including a school and other services – and still supply the low-cost market,” Several similar schemes are being rolled out across the city, many involving private investors keen to take advantage of incentives to build affordable housing.

### **Future prospects**

RSSB has and continues to engage in housing development in Rwanda. The development needs to be done as per the current master plan, working with various partners to ensure development of decent housing for all Rwandans.

Currently RSSB is in the process of establishing a Real Estate Investment Trust and is in discussions with a number of potential partners to establish one in the near future as a way of unlocking capital and further investments in the real estate sector.