

**HOUSING MARKET DEMAND, HOUSING FINANCE, AND  
HOUSING PREFERENCES FOR THE CITY OF KIGALI**

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**CHAPTER 2**  
**PREFERENCES STUDY**

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**PLANET CONSORTIUM**

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## ABBREVIATIONS

FDG = Focus Discussion Group

LIG= Low-Income Group

MIG=Middle-Income Group

## 1. Background and introduction

Over the last three decades, governments all around the world have tried to address the problem of providing adequate and affordable housing. With no exemption, the Government of Rwanda through the City of Kigali is committed to provide all its citizens, particularly those in the low and middle-income categories, access to adequate and affordable housing. Although there have been many investors and proposals to build affordable housing, potential investors are hampered by a lack of data/knowledge on the demand, preferences and finance strategies appropriate for each category.

There is a shortage of affordable homes for the low and middle -income people and this shortage along with the high cost of limited land has resulted in rapid expansion of squatter settlements in urban areas. Low levels of income and limited opportunities for employment have reduced the affordability of the most basic housing, resulting in large informal settlements with little or no infrastructure such as services or amenities. Therefore, thousands of families live in housing that is not only structurally unsound, but also overcrowded and the source of physical and budgetary problems.

It is against this background that the city has identified a need to conduct a market study to understand the current and future market demand for new kinds of residential development (especially affordable housing), along the lines contemplated in the City's master plans and Rwanda National Housing Policy. The study, requested by the City of Kigali and financed by the European Union, is at present being carried out by the Planet Consortium. However, the Institute of Policy Analysis and Research (IPAR-Rwanda) has been requested to organize, implement and analyse FOCUS GROUP RESEARCH to identify the attitudes and preferences of potential end-users of the housing typology and housing finance proposed by Planet Consortium. This research was led by Aime Tsinda, an experienced urban planner and it was supervised by Professor Pamela Abbott.

This report is structured around five sections. This introductory section provides a background of why this research was undertaken and the context in which it can be applied. The second section presents the subsequent methodology for data collection and analysis. The third section provides characteristics of the group interviewed. The fourth section presents the main findings of the results. The last and fifth section analyses the findings of this research and presents the conclusions to the whole study with respect to the research proposition.

## **2. Methodology**

### **2.1. Qualitative method**

The research will be qualitative using FGDs although statistical analysis has been done with SPSS 18<sup>1</sup>. The word *qualitative* implies an emphasis on process and an in-depth understanding of perceived meanings, interpretations, and behaviours, in contrast with the measurement of the quantity, frequency, or even intensity of some externally defined variables. Qualitative researchers study things in their natural settings, attempting to make sense of, or interpret, phenomena in terms of the meanings people bring to them. Qualitative research involves the studied use of a variety of empirical materials-case study, personal experience, introspective, life story, interview, observational, historical, interactive, and visual texts-that describe routine and problematic moments and meanings in individuals' lives.

As such, the central methods of qualitative research include FGDs and recording what they say. FGDs were considered to be the most appropriate mechanism with which to research housing and housing finance preferences the low and middle segments of the housing market, because of their time and cost effectiveness. Higher income groups have not been considered in this research given that the Housing Market Study will emphasize on affordable housing. FGDs are interviews with groups of people selected because they share certain characteristics relevant to the questions of study. Interviewer encourages discussion and expression of

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<sup>1</sup> SPSS (originally, Statistical Package for the Social Sciences) is a computer program used for survey authoring and deployment (IBM SPSS Data Collection), data mining (IBM SPSS Modeller), text analytics, statistical analysis, and collaboration and deployment (batch and automated scoring services).

differing opinions and viewpoints. It has an advantage of generating ideas and topics, which are unlikely to arise with individual interviews. In qualitative approach, data analysis is interactive with data collection.

## 2.2. Sampling

Data has been analysed as they are collected through the FGDs process with the sample of low and middle income groups. The decision on when to stop sampling, as suggested by Glaser and Strauss is indicated by theoretical saturation. This happens when no additional data develops any further the properties of the category. The theoretical saturation occurred after three FGDs undertaken with two FGDs with low-income groups and one FGD with middle-income groups. However, as planned, despite this, there has been a deviation from the Glaser and Strauss's grounded theory for data collection because, we organised the fourth FGD with middle-income group to cross-check. Therefore, four FGDs were held, two FGDs with low- income groups and two FGDs with middle income groups. The FGDs were divided as follows:

- FGD 1 for Low-Income Group (8 participants): six women and two men;
- FGD 2 for Low-Income Group (6 participants): four women and two men;
- FGD 1 for Middle- Income Group (7 participants): four women and three men;
- FGD 2 for Middle-Income Group (7participants): four women and three men.

It is important to make it clear that the term sampling used in this study is quite distinct from the statistical use of the term. Theoretical sampling is the process of collecting data for comparative analysis and to develop emerging theory until the researcher reaches a point of data saturation. The aim of the selection of interview participants here is not statistical representativity but gaining access to low and middle-income group who are willing to share their real experiences and perceptions on housing preferences and finance. This will indirectly help the emergence of rich theoretical categories regarding the promotion of affordable housing in Kigali.

### 2.3. Agenda for FGDs

The agendas for the interviews have been drawn up by Aime Tsinda and Pamela Abbott in consultation with Planet Consortium (Appended). The FGDs have been facilitated in Kinyarwanda by Aime Tsinda. Notes have been taken by two research assistants who have been specifically trained for taking notes for this project. They have transcribed the notes following each FGD in English. The transcripts have been analyzed thematically and a report prepared detailing the findings under each theme.

This research was carried out in accordance with the Research Governance and Ethics Procedure of IPAR-Rwanda. That is why, informants were asked to give informed oral consent to participation in the research. They were formed that they would not be named in any reports written using the information from the research. Informants were asked to specifically agree to the videoing and/or audio recording and taking photos of the FGD. All participants suggested not using video photographs. After participants being informed of the purposes for which recordings will be used and who will have access beyond the researchers, they have accepted the voice recordings.

### 2.4. Duration of discussion

To avoid fatiguing the participants and to avoid conflicts with the participants' usual activities, the discussions were planned to be short, lasting a maximum of 2 hours, including a refreshments break (Timetable appended).

## 3. Characteristics of the Group Interviewed (number of interviewees, income, occupation/employment, age/gender, current housing conditions...)

Socio-economic characteristics of urban residents have been an important variable used by the planners and policy-makers while assessing housing demand, preferences and finance. This section aims to present the socio-economic characteristics of the participants who responded to the questionnaire conducted as

a part of this study. It is crucial to know socio-economic profile (income, occupation/employment, age/gender, current housing conditions...).

### 3.1. Gender

As can be seen from figure 1, the distribution of male and female is uneven. The male represents only 39.3 per cent of the total sample and 60.7 per cent of the sample is female. This is due to the fact that females were most willingly to participate in this research than males.

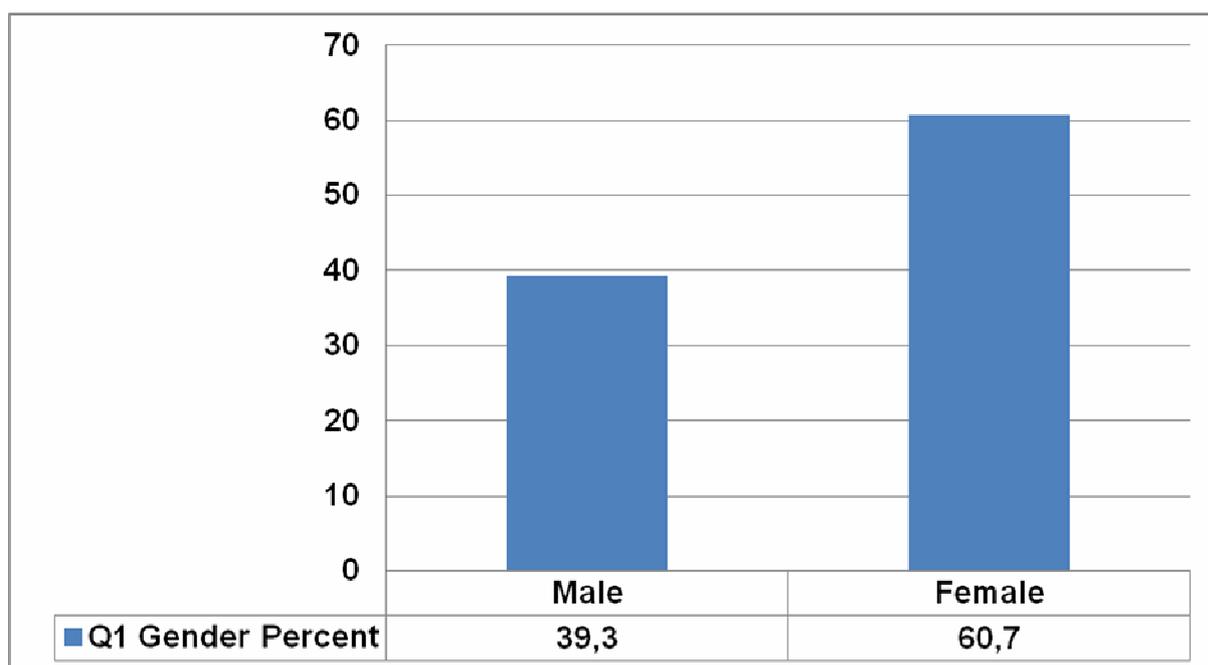
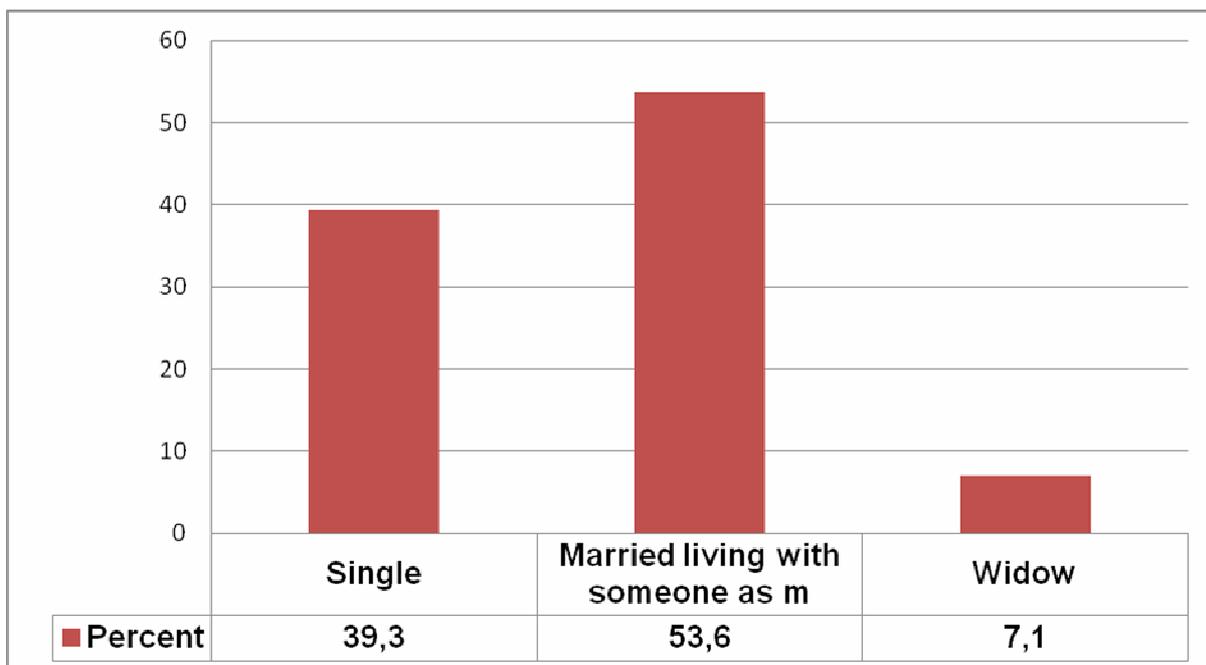


Figure 1: Gender distribution of the participants for FGDs

### 3.2. Marital status

In analysing marital status, the results show that the majority of respondents (53.6%) were married, followed by participants who were single (39.3%). Only 7.1 per cent of respondents were widow (er). The diversity of marital status allows us to have different views which reflect different preferences and needs in terms of housing. The marital status distribution is shown in the figure 2.



**Figure 2: Marital status of participants for FGDs**

### 3.3. Age

As table shows, the respondents belong to the age group ranging between 22 years (Minimum age) and 52 years (Maximum age). The average age of respondent is 31.4 per cent ( $\pm 7.3$  std), which is an economic active age.

**Table 1: Age Group of participants for FGDs**

	Minimum	Maximum	Mean	Std. Deviation
Age	22	52	31.39	7.295

### 3.4. Education

From Table 2, out of twenty respondents, five (3.6%) have no education, 21.4 per cent have primary, 14.3 per cent have junior secondary education, 17.9 per cent

have advanced secondary, 10.7 per cent have vocational, 14.3 per cent have a Bachelor while 17,9 have a Master.

**Table 2: Highest level of Education**

Education	Per cent
None	3.6
Primary	21.4
Junior secondary	14.3
Advanced secondary	17.9
Vocational	10.7
Bachelor	14.3
Master	17.9
Total	100

### 3.5. Household size

The household size varies between 1 and 4, with an average of 2 (Table 3). It is a dominant feature determining household income and expenditure. There is a positive relationship between household size and income and this tends to confirm that household size generally increases with increasing income. Income of the head of the household in most of our respondents is often added to the earnings of the other working members of the household.

**Table 3: Household size**

N	Minimum	Maximum	Average	Std. Deviation
28	1	4	1.75	0.844
28				

### 3.6. Correlation between level of education and income group

As table 4 shows, the level of education influences the income distribution. For instance, it is clear that all participants of middle –income group were educated (14.30% and 17.90% are respectively bachelor and masters holders) and all have finished at least secondary level.

**Table 4: Correlation between level of education and income group**

Highest level of education	Category Group		
	Middle	Low	Total
None	0	1	1
	0.00%	3.60%	3.60%
Primary	0	6	6
	0.00%	21.40%	21.40%
Junior secondary	0	4	4
	0.00%	14.30%	14.30%
Advanced secondary	2	3	5
	7.10%	10.70%	17.90%
Vocational	3	0	3
	10.70%	0.00%	10.70%
Bachelor	4	0	4
	14.30%	0.00%	14.30%
Master	5	0	5
	17.90%	0.00%	17.90%
Total	14	14	28
	50.00%	50.00%	100.00%

With regard to low-income group, no individual has attained the university level. The majority has almost primary level (21.40%). It is clear that there is a correlation between the level of education and income group. Statistically, this correlation is very significant with 0.001 of Chi-Square Tests (Table 5).

**Table 5: Chi-Square tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	23.200a	6	0.001
Likelihood Ratio	32.086	6	0
Linear-by-Linear Association	19.12	1	0
N of Valid Cases	28		

### 3.7. Households income by intervals and category of interviewees

One of the most commonly used indicators of the socio-economic characteristics of population is households' income. This is because it is often used as a determinant of ability to afford housing. It is important to note that knowing whether someone is in low or middle-income group in Rwandan context is difficult. This is because people are not used to reveal their income.

**Table 6: Monthly income of Households by intervals and category of participants**

Household income by intervals		Category of interviewees		
		Middle	Low	Total
Less than 50000	Count	0	5	5
	% of Total	0.00%	18.50%	18.50%
50001-100000	Count	0	6	6
	% of Total	0.00%	22.20%	22.20%
100001-150000	Count	0	2	2
	% of Total	0.00%	7.40%	7.40%
Above 200000	Count	13	1	14
	% of Total	48.10%	3.70%	51.90%
	Count	13	14	27
	% of Total	48.10%	51.90%	100.00%

By cross-tabulation, we have divided our participants into four intervals (Less than 50000, 50001-100000, 100001-150000 and above 200000). The table 4 shows the distribution of households' income. From the table, it is clear that 48 per cent of middle-income group is above 200, 000 RFWs per month while the income of the majority of low-income group range between less than 50000 RFWs and 50001-100000 RFWs. It is clear that correlation between the category of participants and income of households is very significant ( $\chi^2 > 0.001$ ).

#### 4. Presentation of results per question

##### Q1. What type of house do you have?

*(Seven) We have **several forms of houses** such as individual units but not fenced and congested houses, (laughter), I am homeless, I live where I find a shelter! (A young boy) (LIG 1);*

*(Five participants) We live in **one compound including many houses**; (only one) lives in a **single fenced dwelling**, (LIG 2);*

*We live in different types of houses such as **dwelling units in a compound** (five), **individual houses on a plot** (three), we are **renting in houses with many doors** (three), I live in **single story** (only one), we live in **congested houses** (two) (MIG 1 and MIG 2);*

##### Q2. How satisfied are you with your current house? Does it meet the needs of your household?

*(GENERAL NO), No, we are **not satisfied with current houses that we are living in due to its level of hardness and it is easily to be taken by heavy rainfall or catastrophic incidence** (two), it is too small to accommodate the entire family (three), we do not have **access easily to roads, water, electricity due to topography of the land and congested houses** (five), the house is too old and the toilet has been destroyed by heavy rainfall (two) (LIG 1);*

***All of the participants said they are not satisfied with where they are living because their houses are damaged due to rain, renting price is high and yet the houses are not of good quality, they do not have water, no schools, no hospitals in their neighborhood** (LIG 2);*

*I am both unhappy and happy. I am unhappy because my house is not self-contained (One), I **am happy because it is mine** (One), I am not happy because the house is not mine, I am just renting (one), how can we be happy with only one room while we are five? Please, do not joke! (Two) (MIG 1);*

***Most of the participants said they are not satisfied with the house they are living in because they are renting and the renting price often keeps on increasing unreasonably** (five); **another reason is that the toilet and bathroom are outside of the house and they want the toilet and bathroom to be installed inside in the house for security and***

**privacy purposes** (two). Only one woman said that she is satisfied with the house she lives in because it is her house but would like to make some improvements (MIG 2);

### Q3. What mechanisms did use to get a house? What strategies used by other citizens in Kigali to build a house?

There are different mechanisms that we have used to get house like asking for a **loan in a bank** and buy a house (Two), **advance salary and finish or/and build house** (One), **family income and savings to build or/and buy house** (Two), **to sell my old house and buy a new one** (One) (LIG 1);

The mechanisms used to build a house are just taking a loan from a bank, using our own money (two), I relied on help from my family (One). Other strategies are to find some money from household enterprises to buy materials and **construct the houses ourselves** (three), selling a plot of land or domestic animals we have and then use the money to build our own house in the city (Two) (LIG2);

There are different strategies used to get a house in Kigali. **There are some housing cooperatives but they do not help** us (Three). These cooperatives are often benefiting the rich people and that is where the problem is (One). And the government know this. **There is a need to regulate and make certain that cooperatives are helping** all of us! (One) (MIG 2);

There are various strategies everyone can use to get house. For instance, I used loan from Bank Populaire to construct my house (One), I built my house through personal savings but later on I used loan to finish my house (One), I got loan from Banque Populaire and I completed paying it because I was a civil servant (One); people invest in land and later on sell it at highest price and buy a house (Three) (MIG 1);

The mechanisms mostly used to build a house are just going to a bank and taking a loan or starting with own capital and after reaching some point, get a credit from the bank to finish off (Two); or you take a small loan after repaying, you take another one until you finished up building your own house (One); this takes years and all depend on someone's income; **other strategies used by other citizens to buy a plot of land, keeping it and sell it after it has increased value then use the money to build your own house, or selling inherited wealth** (e.g.: selling an inherited house that is in rural area and use the money to build another one in the urban area). However, **most of participants said that building a house nowadays in Kigali is very difficult because of the master plan** (Five). **Most of people are discouraged by the master plan that requires expensive houses** (One) (MIG 2);

### Q4. Have you considered trying to improve your house?

The majority of the participants (Five out of Six) said that **they think of improving their house but they lack finance**. Another challenge raised by many respondents is that when they want to improve their houses, **they are discouraged by local authorities who do not allow them to upgrade their houses! What are you saying! There are more expropriations than houses improvement!** (One) We do not know what to do! (One) (LIG 2);

(GENERAL NO), No, it is **difficult to improve a house because the City of Kigali does not provide construction permit** to people who want to extend their houses (Four); it is also expensive to upgrade a house, it is better to sell a house and construct or buy a new one (One) (MIG 1);

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*(ALL) We try to improve our own houses like putting a new wall but the problem is to have the authorization of doing this (Three) (MIG 2);*

## **Q5. What types of houses do you know about?**

*There are different types in the City of Kigali such as houses with two /three floors, single-family detached, single family attached, poor houses, apartments, single story, estates, individual house in a compound and commercial houses (LIG 1 and 2);*

*Different types of houses are found in the City of Kigali. These are among others office building (Three), single-family attached, single-family detached, dwelling units in a compound, individual house on plot without fence (Two), two floors, single story, estates, poor houses and apartments (Five) (MIG 1);*

*There are different types of houses like two floor houses with swimming pool, with a fence, estates but shared (One), nice houses constructed with solid materials (One), nice houses constructed with poor materials, four or more houses in a same fence, disordered houses in slums constructed with poor materials (Four) and which can easily be destroyed by heavy rain; water flowing without canalization (MIG 2);*

## **Q6. What aspect and features do you like and dislike about each?**

*What we like in our houses **constructed with poor materials because they are affordable (Three) and what we dislike is that they are weak and congested with a lot of robbery (Two) (LIG 1);***

***What we like in individual house in a compound is that it enhances privacy, what we dislike is that with individual house in compound, there is no social cohesion (One) ; what we like in floor (say 2 floors) is that it helps to manage land (Two), what we like in congested houses is that they are affordable and it is easy to have access to goods and services, what we dislike is that they are located in risk areas and are therefore easily destroyed by floods, there is a lack of privacy in informal settlement (Three), security and behaviour of children is difficult to managed in the slums (Two), what we like in estates is that they beautify the city but they do not accommodate many families (One), with estates it is difficult to manage noise from neighbours (One) (MIG 1);***

***What we like in disordered houses is that people get houses at affordable prices, they have access to markets and it is easy to make small businesses (Three), what we dislike is that they are disordered, there is water flow from one house to the other which causes damages, people living in a same compound have different backgrounds and lifestyles and this can bring dissatisfaction (One). For example, security is an issue. Female children are very exposed to violation; what we like in nice houses constructed with poor materials is that constructing is very cheap and tenants are very easy to find, what we dislike is that there is no security especially when it is raining; what we like in nice houses constructed with solid materials is that there is security and what we dislike is that they are very expensive, they are not affordable for tenants (Three); what we like in estates is that most of the times they have easy access to roads, infrastructures such as schools, hospitals, they are constructed on a small plot of land, they are very clean; what we dislike is that they have a problem of structure because they are joined, if one of the owners does not take a good care of his house, this can affect the other one (Two). For instance, if one increases the volume of the radio it can be disturbing for the other one, the size of the house is small and Rwandan families are large, what we like in flats is that they manage space and host many people and what we dislike is that there is no***

*security especially for children, people living in these houses are not social and maintenance is expensive (MIG 2);*

**Q7. If you are a tenant, are there any particular barriers that would prevent you from owning a house?**

*The barriers that prevent us from owning a house are the construction materials that are very expensive (Seven), bank procedures which are complex (Two), loan requirements which are difficult to fulfil (One), bank interest rates which are extremely high (Two), houses are expensive, poverty (low capacity to build or purchase a house) (LIG 1 and LIG 2);*

*The barriers that prevent most of us from owning a house are a fear of loans (Two), shortage of plots and price of plot which is very high (Two), construction procedures are difficult to fulfil and delay more than 2 months (Six) (MIG 1 and MIG 2);*

**Q8. What do you think are the main things that would help solve the housing problem in Kigali?**

*KCC must acknowledge that Kigali has different people with different capacities. Thus, the City of Kigali has to reduce its restrictions while giving building permits (Ten), banks should reduce their complex procedures to access loan, the City of Kigali has to reduce the cost of getting construction permit and regulate the price of the land which is very high (Three) (LIG 1 and LIG 2);*

*The housing problem in Kigali can be sorted out by solving the problem of getting construction permit (Four), allowing all categories of people to build their own houses, sensitising residents on working with banks (One), reducing interest rates by banks (One) (MIG 1);*

*The housing problem can be solved by making quick the procedure of having a construction permit (Five), houses should be constructed depending on people's categories; **the private sector should organize the transport sector so that people may live outside of Kigali** (One) (MIG 2).*

**Q9. Suppose you were looking for a new house, what kind of interior layout would you prefer?**

*I would prefer houses with improved sanitation facility (Four), house with four/five rooms and sitting room, fence with gate (two), self-contained, with garage, fenced house with six rooms (LIG 1);*

*(All) Nobody would like to live in informal settlements. Therefore, if we had money, we would like to live in houses that are clean (Four), house with enough space, house with toilet and water inside and infrastructure in the neighborhood (LIG 2);*

*I would prefer **two floors self-contained, and garage, a house with four rooms and sitting room, fenced with gate** (One); I need house with fruits in the garden (1), swimming pool and big compound (One) (MIG 1);*

**Q10. What kind of design do you prefer in a house?**

*I do prefer house constructed with bricks (Twelve), roofed with modern tiles, house with modern roofing (Two), house with garden (Seven), need single story house (LIG 1, LIG 2, MIG 1 and MIG 2);*

**Q11. Have you considered building a house? If yes, what made you consider constructing a house? What are the advantages? If no, what are the reasons?**

*Yes, I have considered building a house because I am fed up of renting (One), extremely expensive in Kigali (Two); no, we do not have the capacity to build a house I am not secured when I do not have my own house (Three), renting is, I bought a plot to build a house, but I have not developed it due to lack of money (One) (LIG 1);*

*Yes, we are planning to build our own house but we lack funding (Five) and the city is not helping us to have our own house. My son, can you go and ask the mayor to support us! We need subsidy from our Government (Six) (LIG 2);*

*Yes, we have considered building our own house because it allows saving money that would be used for renting (Two). However, we need financial support from the City of Kigali (Five) (MIG 1);*

**Q12. What is the preferred location of the house?**

*We prefer to build a house where we can have access to infrastructures (Four), I prefer to live in the suburbs, and I need to live out of the City of Kigali once the public transport is well developed (LIG 1);*

*My preferred location of the house is in the suburbs once transport is available (Four), I prefer to live in town due to working conditions (Five) (MIG 1);*

*The majority prefers to live near downtown in order to have easy access to amenities (Three) and only one would like to live outside the city but with one condition: have easy access to transport (Three) (MIG 2);*

**Q13. What is your preferred type of neighbourhood?**

*I prefer to build a house or live near hospital, markets, and schools for children, transport facilities, church, and my family (LIG 1, LIG 2 and MIG 2);*

*I prefer to have access to the main road, schools, administrative organs, church, and hospital (MIG 1);*

**Q14. What do you think about apartments? What sorts of people generally live in apartments in Kigali?**

*What I think about apartments is that they are for small families and therefore they are not appropriate for Rwandans who prefer to reside with many families. With apartments, it is easy for the state to construct infrastructures, apartments are good but they are expensive, apartments are commonly used by foreigners like Indians and high income earners, people with small families prefer apartments though, apartments are appropriate for the young people who are not married (LIG 1 and LIG 2);*

*The apartments are for single people, small family, expatriates, and rich people. With apartment, you lack privacy but you enjoy to live in (MIG 1 and MIG 2);*

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**Q15. Would you consider living in an apartment? Why? What do you think people generally feel about living in an apartment?**

*(General laughter and refusal). No, impossible, may be my children! (LIG 1 and LIG 2);*

*Yes, of course, why not, it is lovely to live in apartments (Ten). However, we need to have a place for socialisation, common place, garden where children can play (Five), separation according to marital status, gender, etc. Although, socialisation is important, privacy is equally important and we need private bathroom, toilet (Seven), etc. (MIG 1 and MIG 2);*

**Q16. What financial institutions are most available in the City of Kigali?**

*The financial institutions which are available in the City of Kigali are: Bank Populaire, Bank of Kigali, ECOBANK, COGEBANK, Agaseke, Urwego Opportunity bank, COPEDU, Duterimbere, Equity, and KCB (LIG 1, LIG 2 and MIG 2);*

*The financial institutions which are available in the City of Kigali are: Commercial bank of Rwanda, FINA Bank, Bank populaire, Bank of Kigali, ECOBANK, ACCESS Bank, COGEBANK, Agaseke, Urwego Opportunity bank, COPEDU, Duterimbere, Equity, and KCB, Unguka S.A, Equity Bank (MIG 2);*

**Q17. What types of financial products and services do you know about?**

*The types of financial products and services are loan, advance salary, paying school fees for students, current account, saving, depositing, mobile banking (LIG 1 and LIG 2);*

*The financial products and services that we know are loan, savings, advance salary, paying school fees of students through banks, current account, deposit account, mobile banking (MIG 1 and MIG 2);*

**Q18. Do you or anyone in your household have account(s) with one of any financial institution(s) that are most available in Kigali? What types of accounts do you have? If no, what are the reasons for not having an account?**

*(7 out 8) Yes. We have different types of accounts like saving accounts, current account, saving account for children; (1 out 8) No because I have no job, no enough money (LIG 1 and LIG 2);*

*(GENERAL YES). We have saving account, current account, and deposit account (MIG 1 and MIG 2);*

**Q19. What types of financial products and services mostly used?**

*The financial products and services that are mostly used are current account and saving account (Four), I do not know (One)! (LIG 1 and LIG 1);*

*The financial products and services mostly used are current account, saving account. We prefer working with a bank that offers better services and products and less procedures. For instance, ECOBANK has less procedure requirements (MIG 1 and MIG 2);*

**Q20. What formal and informal savings are available for households saving for house construction/purchase/improvement? If yes, in which financial institutions?**

*The formal and informal savings that are available are the use revolving funds, saving at bank for long term, pay long term loan for housing at bank, we lend money especially from Banque Populaire and Umurenge SACCO (LIG 1);*

*The informal way we use to get finance is the use revolving funds and Bank Lambert (LIG 2);*

*The formal and informal savings that are available are: saving at bank for long term (Six) Bank Populaire is good because it does not sell immediately mortgaged house when you fail to pay back. Also, in BRD, there is a department in charge of providing loan for housing (MIG 1 and MIG 2);*

**Q21. What formal and informal loan systems are available for households to use for housing construction? If yes, in which financial institutions? How much? Type of loan?**

*The available loans systems are loan from banks, no, I did not get any loan (LIG and LIG 2);*

*The formal and informal loans systems are loan salary, long term loan, use of revolving fund in a group (Five), use of Bank Lambert (1), we lend money especially from Banque Populaire and Umurenge SACCO (Two), Yes, I got one loan for 2,200,000 FRWs and I had to pay for three years 64,000 FRWs per month, I can pay a loan of 100, 000 FRWs per month, I can pay a loan of 200, 000 FRWs per month, I can pay a loan of 140, 000 FRWs per month (MIG 1 and 2).*

**Q22. How do you consider the price of housing construction?**

*The price of housing construction is high and this is due to construction materials which are very expensive, Delays to get the construction permits from districts and they are expensive (LIG 1);*

*Constructing is very expensive and this is due to materials, plots and **manpower** which are expensive (LIG 2);*

*(GENERAL CONSENSUS) The price for construction is high and this is mainly due to the construction materials which are very expensive and masons are now paid a lot of money; construction permits took almost two years and they are expensive (MIG 1 and MIG 2);*

**Q23. How long did the process of construction take (from deciding to build to completing the construction)? If it took long, what were the things determining this length of time?**

*The construction of a house takes long time to get finished to majority of people due to shortage of money, construction materials are costly and to get loan from bank also takes long time to fulfil bank procedures (LIG 1, LIG 2, MIG 1 and MIG 2);*

**Q24. What about buying a house from an owner? What you consider doing this?**

*Buying a house from owners is too expensive as well. We all want to buy a house or construct a house but we do not possess capacity to purchase it due to our low- income (LIG 1, LIG 2);*

*To buy a house is too costly and the problem is that a purchased house does not necessarily meet requirements and preference of the buyer (MIG 1 and MIG 2);*

**Q25. How do you consider the price of housing renting?**

*(Group laughter) Renting is extremely expensive in Kigali and yet the price for house does not necessarily correspond to the quality of house for rent (LIG 1);*

*Housing renting is an issue and the city has to act to avoid homeless people in the future (MIG 1);*

**Q26. Would you be willing to purchase your preferred housing at an affordable price? Would you be prepared to take out a loan to pay for it? If yes, how much are you willing to pay per month to repay a loan over what period? If no, why?**

*(GENERAL Yes), I am willingly to purchase my preferred house but at an affordable house. I need a house with a value of five million and I can pay 20,000 RWFs a month, I need a house with a value three million and I am able to pay back 15,000 RWFs a month until I complete a loan (LIG 1 and LIG 2),*

*I need a house with value of ten million and I am ready to pay 80,000 RWFs per month, I need a house with a value of twenty million and I can pay about 140,000 RWFs per month, for me, a house with a value of twenty five million is enough and I can pay back for every about 120,000 RWFs (MIG and MIG 2);*

**Q27. Would you be willing to take out a loan to improve the house you live in?**

*(ALL) Yes, we are willing to take out a loan to improve the house we live in but the Government through the City of Kigali does not offer a permit to do so (LIG 1 and LIG 2);*

*No, there is no need to request another loan while I have not yet completed paying my first loan (MIG 2);*

**Q28. If you wish to rent a property, how much per month are you able to pay?**

*First of all, we request the Government to regulate the renting price in Kigali because landlords charge a lot of money without considering the quality of house. For instance, a house of two rooms without water and electricity is charged of 25,000 RWFs. We request to reduce the price at 3,000 RWFs for this house; another person said that a house with no electricity and water must be charged below 7,000 RWFs regardless where it is located (LIG 1);*

**Q29. Would you be willing to live in an apartment at an affordable price? Would you want to rent or buy? If yes, how much are you willing to pay for an accommodation in apartment? Monthly loan repayment or rent. If no, why?**

*(Laughter) I am not willing to live in an apartment because I consider it as a slum in which I live and I am not comfortable with my residence. However, if it is an obligation to live in an apartment, I cannot pay beyond 30,000 RFWs monthly, If I have to live in apartment, I prefer an apartment with 2 rooms, sitting room and dining self-contained for 20,000 RFWs monthly, I prefer an apartment with 2 rooms, sitting room and dining self-contained for 35, 000RFWs monthly, I prefer an apartment with 2 rooms, sitting room and dining self-contained for 20,000 RFWs monthly, I prefer an apartment with 2 rooms, sitting room and dining self-contained for 20, 000FRWs monthly (LIG 1);*

*(Laughter), **how can I live in apartment while I am poor? Please, we need just a secured house, that's all!** We will live in apartment unless we pay not more than 25,000 RFWs and those apartments should be equipped with four rooms, that 'all!* (LIG 2);

***Most of participants are willing to live in an apartment at a price ranging between 70,000 RWS and 150, 000 RFWS.** Only two participants are not willing to live in apartments because apartments are not safe for children (MIG 1 and MIG 2);*

**Q30. If buying a property or building houses, how much in monthly mortgage payments are you able to pay?**

*We will be able to pay 25,000 RFWs per month (6 participants), 40,000 RFWS per month (two participants), 15,000 RFWs a month (an old woman), and 30,000 RFWs per month (four participants) (LIG 1 and LIG 2).*

*If I have to buy a house, I will be able to pay 80,000 RFWs per month (two participants), 150,000 RFWS per month (four participants), 200,000 RFWs a month (Five), and 170,000 RFWs per month (4 participants) (MIG 1 and MIG 2).*

## 5. Analysis of results and conclusions

Many important findings emerged from this study. However, only the key findings will be discussed in this section and will focus on the main themes of the research: households' perceptions towards housing, housing preferences and housing finance.

### 5.1. Perceptions of low and middle-income group towards housing

There were two areas of divergence between low and middle-income group with regard to the perceptions of households towards housing. Our respondents categorise types of houses found in Kigali in main groups, namely simple houses, apartments or flats, shop houses. Each group may be further subdivided into detached houses, semi-detached houses, and terrace houses and so on. Most of respondents showed that they are not satisfied with their current living and therefore wish to leave where they live were because of a poor building system. While none of the respondents were homeless at the time of interview, one reported experiencing absolute homelessness at some point in the past.

Areas of convergence between the middle and low-income group respondents are very clear and certainly outweigh the differences. Briefly, these include ***lack of decent, affordable housing, the need for housing support, housing permits and standards***. Another area of convergence is related to the strategies used by citizens of Kigali to have their own house. These strategies are:

- Individuals and families save from their personal incomes and these accumulated savings are used for house purchase (self-financing);
- Loan from relatives and friends (interest is not normally charged);
- Rotating credit societies, loan from employers, private money lenders.

With regard to formal and informal financial services, we found that ***while most of respondents made substantial use of formal and informal financial services, they indicated a need for more financial and practical supports like, subsidies,***

**transportation and help with employment.** Low-income group concurred in some areas, including transportation, but tend to prefer service-oriented support. **Respondents who had no employment were much happier with providing them with employment that will allow them to have access to basic needs including housing.**

Findings related to solving housing problem, **most of respondents are primarily concerned with practical and financial issues like lack of money, housing, unemployment and transportation. Low-income group tends to emphasize financial and material needs and middle-income group tends to focus on the quality of services and facilitation from the City of Kigali in construction permit delivery.**

## **5.2. Housing preferences of low and middle-income group**

It is logical that preferences are highly influenced by what consumers' experience has been, what they believe their options to be, as well as many other factors. There are slight differences between low and middle-income group on what is regarded as housing preferences. **The overall results show that low and middle-income groups consistently report that they would prefer to live in their own single family house. Although most respondents would like to acquire their own house due to the fact that the renting is very expensive, most respondents repeatedly showed the lack of financial ability.**

**While the majority of respondents want to have their own housing, they do not object to renting at an affordable price (which varies according to the income level).** As far as apartment is concerned, **all low-income respondents consider apartment as their last option and prefers to live in individual units with a minimum of amenities (water, markets, hospital, etc.). Availability of social services is one of major factors affecting residents' satisfaction with the residential environment.**

However, ***most of middle-income group respondents do not object to living in apartment as long as the apartment protects their privacy. These respondents suggested that apartments should be well located.*** Most of respondents prefer to live near their work (mostly in downtown). However, this needs to be clarified in the sense that some of the respondents have stressed their wishes to live in the suburbs once the transport is developed. Therefore, a ***suitable location for apartment is a key element to take into consideration in apartment instalment.***

***Access to a wide range of social services, particularly education, health services and shopping facilities are equally important factors raised by most of respondents. Findings show that the availability of common space and garden for children to play is a key element emphasised by many of middle-income group.*** The results from this group indicate that children's play facilities are currently very poor in the existing apartments. For those who live in ground floor houses, they can manage because they have a back open space, but the problem still faces those living in block of flats. ***They want private apartments, with private bathrooms and bed rooms and no restrictions on visitors.***

Therefore, ***they recommend a typical apartment building with private apartments mostly for singles, with a small number of people who wish to share or live with children as well as the provision of common space for informal socialization. They advocated that all units be subsidized with rent geared to income and a mixed population in terms of age, health an employment status. They also recommend the separation according to gender and marital status.***

Regarding what is most needed, there ***was virtual consensus between low and middle-income group: decent, safe and affordable housing was the major finding.*** Recommendations for subsidized housing to address the problem related to slum housing were also made. ***While low-income group most frequently attributed their lack of housing to their economic situation and unemployment, middle-income group more frequently attributed it to construction high standards and expensive construction materials.***

### 5.3. Towards appropriate housing finance strategies

***The majority of respondents 'views shows that they are willing to pay back a loan if they are financially supported but at an affordable price.*** The affordable price varies according to income-group. For instance, the most common amount to be paid by low-income group for house ownership ranges from 15,000 RWS to 50,000 RFWs per month. For renting both for ordinary houses and apartments, those who are willing to rent, said that they cannot go beyond 35,000 RFWs. The amount to be paid for house ownership by middle-income group varies between 80,000 RFWs and 200,000 RFWs.

It is difficult to associate the average net monthly income of each group and the amount of monthly loan payment which they can afford. This is due to the fact, income is a sensitive issue and our respondents did not reveal the real amount they receive. We also need to acknowledge that Rwandans do not have culture to remember what they gain and what they spend per month. In general, the average amount of monthly that both middle and low-income group said they can afford to pay is not compatible with their reported net income per month. If we look at the details, it appears that the responses of our respondents regarding the net income and the amount that they can afford to pay monthly; we find that most of the respondents have no money left for any investment.

It is important to mention that ***while all our respondents are interested to acquire affordable and adequate house, few are the ones who have the capacity to afford the acquisition. Adequate and affordable, our respondents refer to adequate privacy, adequate space; physical accessibility, adequate security; structural stability and durability; adequate basic infrastructure such as water-supply, sanitation; suitable environmental quality and health-related factors; and adequate and accessible location with regard to work and basic facilities: all of which should be available at an affordable cost. Therefore, housing subsidies should be available for those unable to obtain affordable housing, and tenants should be protected from unreasonable high rent. It has been noted that labour and construction materials contribute most towards the***

***housing cost. Therefore, a reduction in these two major cost components of housing price could be crucial in the economics of low-cost housing development.***

***In conclusion, we have found that most of middle-income respondents are not opposed to living in the apartments and that many of them welcome the opportunity for social interaction that common space, garden provides.*** As a qualitative research is crucial in determining what consumers really want with regard to housing, this study, with this representative sample (n=28), did go some way towards clarifying the specific types of accommodation middle and low-income group would like to have when given concrete (but not limited by available) options to choose from. Planners therefore should consider consumers opinions, preferences and needs regarding the essential factors to be considered in the design and allocation of the project by identified suitable location, safety and security, and privacy.

## Tabulation of Questions and Answer

<b>Q1. What type of house do you have?</b>	<b>LIG1</b>	<b>LIG2</b>	<b>MIG1</b>	<b>MIG2</b>
We have several forms of houses such as individual unit but not fenced and congested houses (laughter)	7			
I am homeless; I live where I find a shelter!	1			
We live in one compound including many houses		5		
I live in a single fenced dwelling		1		
We live in different types of houses such as dwelling units in a compound			5	
Individual houses on a plot			3	
We are renting in houses with many doors			3	
I live in single story			1	
We live in congested houses			2	
<b>Q2. How satisfied are you with your current house? Does it meet the needs of your household?</b>	<b>LIG1</b>	<b>LIG2</b>	<b>MIG1</b>	<b>MIG2</b>
(GENERAL NO), No, we are not satisfied with current houses that we are living in due to its level of hardness and it is easily to be taken by heavy rainfall or catastrophic incidence	2			
It is too small to accommodate the entire family (three), we do not have access easily to roads, water, electricity due to topography of the land and congested houses	5			
The house is too old and the toilet has been destroyed by heavy rainfall	2			
All of the participants said they are not satisfied with where they are living because their houses are damaged due to rain, renting price is high and yet the houses are not of good quality, they do not have water, no schools, no hospitals in their neighbourhood		6		
I am both unhappy and happy. I am unhappy because my house is not self-contained			1	
I am happy because it is mine			1	
I am not happy because the house is not mine, I am just renting			1	
How can we be happy with only one room while we are five? Please, do not joke!			2	
Most of the participants said they are not satisfied with the house they are living in because they are renting and the renting price often keeps on increasing unreasonably				5
Another reason is that the toilet and bathroom are outside of the house and they want the toilet and bathroom to be installed inside in the house for security and privacy purposes				2
Only one woman said that she is satisfied with the house she lives in because it is her house but would like to make some improvements				1
<b>Q3. What mechanisms did use to get a house? What strategies used by other citizens in Kigali to build a house?</b>	<b>LIG1</b>	<b>LIG2</b>	<b>MIG1</b>	<b>MIG2</b>
There are different mechanisms that we have used to get house like asking for a loan in a bank and buy a house	2			
Advance salary and finish or/and build house	1			
Family income and savings to build or/and buy house	2			
To sell my old house and buy a new one	1			
The mechanisms used to build a house are just taking a loan from a		2		

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bank, using our own money				
I relied on help from my family		1		
Other strategies are to find some money from household enterprises to buy materials and construct the houses ourselves		3		
Selling a plot of land or domestic animals we have and then use the money to build our own house in the city		2		
There are different strategies used to get a house in Kigali. There are some housing cooperatives but they do not help us!				3
These cooperatives are often benefiting the rich people and that is where the problem is. And the government know this				1
There is a need to regulate and make certain that cooperatives are helping all of us!				1
There are various strategies everyone can use to get house. For instance, I used loan from <i>Bank Populaire</i> to construct my house			1	
I built my house through personal savings but later on I used loan to finish my house			1	
I got loan from <i>Banque Populaire</i> and I completed paying it because I was a civil servant			1	
people invest in land and later on sell it at highest price and buy a house			3	
The mechanisms mostly used to build a house are just going to a bank and taking a loan or starting with own capital and after reaching some point, get a credit from the bank to finish off				2
You take a small loan after repaying, you take another one until you finished up building your own house; this takes years and all depend on someone's income				1
Other strategies used by other citizens to buy a plot of land, keeping it and sell it after it has increased value then use the money to build your own house, or selling inherited wealth (e.g. selling an inherited house that is in rural area and use the money to build another one in the urban area). However, most of participants said that building a house nowadays in Kigali is very difficult because of the master plan				5
Most of people are discouraged by the master plan that requires expensive houses				1
<b>Q4. Have you considered trying to improve your house?</b>	<b>LIG1</b>	<b>LIG2</b>	<b>MIG1</b>	<b>MIG2</b>
The majority of the participants said that they think of improving their house but they lack finance		5		
Another challenge raised by many respondents is that when they want to improve their houses, they are discouraged by local authorities who do not allow them to upgrade their houses! What are you saying! There are more expropriations than houses improvement!		1		
We do not know what to do!		1		
(GENERAL NO), No, it is difficult to improve a house because the City of Kigali does not provide construction permit to people who want to extend their houses			4	
it is also expensive to upgrade a house, it is better to sell a house and construct or buy a new one			1	
We try to improve our own houses like putting a new wall but the problem is to have the authorization of doing this				3
<b>Q5. What types of houses do you know about?</b>	<b>LIG1</b>	<b>LIG2</b>	<b>MIG1</b>	<b>MIG2</b>
There are different types in the City of Kigali such as houses with two /three floors, single-family detached, single family attached, poor houses, apartments, single story, estates, individual house in a compound and commercial houses		14		
Different types of houses are found in the City of Kigali. These are among others office building			3	

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Single-family attached, single-family detached, dwelling units in a compound, individual house on plot without fence			2	
Two floors, single story, estates, poor houses and apartments			5	
There are different types of houses like two floor houses with swimming pool, with a fence, estates but shared				1
Nice houses constructed with solid materials				1
Nice houses constructed with poor materials, four or more houses in a same fence, disordered houses in slums constructed with poor materials which can easily be destroyed by heavy rain; water flowing without canalization				4
<b>Q6. What aspect and features do you like and dislike about each?</b>	<b>LIG1</b>	<b>LIG2</b>	<b>MIG1</b>	<b>MIG2</b>
What we like in our houses constructed with poor materials because they are affordable	3			
What we dislike is that they are weak and congested with a lot of robbery	2			
What we like in individual house in a compound is that it enhances privacy, what we dislike is that with individual house in compound, there is no social cohesion			1	
What we like in floor (let say 2 floors) is that it helps to manage land			2	
What we like in congested houses is that they are affordable and it is easy to have access to goods and services, what we dislike is that they are located in risk areas and are therefore easily destroyed by floods, there is a lack of privacy in informal settlement			3	
Security and behaviour of children is difficult to managed in the slums	2			
What we like in estates is that they beautify the city but they do not accommodate many families			1	
With estates, it is difficult to manage noise from neighbours			1	
What we like in disordered houses is that people get houses at affordable prices, they have access to markets and it is easy to make small businesses				3
What we dislike is that they are disordered, there is water flow from one house to the other which causes damages, people living in a same compound have different backgrounds and lifestyles and this can bring dissatisfaction				1
Security is an issue. Female children are very exposed to violation; what we like in nice houses constructed with poor materials is that constructing is very cheap and tenants are very easy to find, what we dislike is that there is no security especially when it is raining; what we like in nice houses constructed with solid materials is that there is security and what we dislike is that they are very expensive, they are not affordable for tenants				3
What we like in estates is that most of the times they have easy access to roads, infrastructures such as schools, hospitals, they are constructed on a small plot of land, they are very clean; what we dislike is that they have a problem of structure because they are joined, if one of the owners does not take a good care of his house, this can affect the other one. For instance, if one increases the volume of the radio it can be disturbing for the other one, the size of the house is small and Rwandan families are large, what we like in flats is that they manage space and host many people and what we dislike is that there is no security especially for children, people living in these houses are not social and maintenance is expensive				2
<b>Q7. If you are a tenant, are there any particular barriers that would prevent you from owning a house?</b>	<b>LIG1</b>	<b>LIG2</b>	<b>MIG1</b>	<b>MIG2</b>

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The barriers that prevent us from owning a house are the construction materials that are very expensive	7			
Bank procedures which are complex	2			
Loan requirements which are difficult to fulfil	1			
Bank interest rates which are extremely high, houses are expensive, poverty (low capacity to build or purchase a house)	2			
The barriers that prevent most of us from owning a house are a fear of loans			2	
Shortage of plots and price of plot which is very high			2	
Construction procedures are difficult to fulfil and delay more than 2 months			6	
<b>Q8. What do you think are the main things that would help solve the housing problem in Kigali?</b>	<b>LIG1</b>	<b>LIG2</b>	<b>MIG1</b>	<b>MIG2</b>
KCC must acknowledge that Kigali has different people with different capacities. Thus, the City of Kigali has to reduce its restrictions while giving building permits	10			
Banks should reduce their complex procedures to access loan, the City of Kigali has to reduce the cost of getting construction permit and regulate the price of the land which is very high	3			
The housing problem in Kigali can be sorted out by solving the problem of getting construction permit			4	
Allowing all categories of people to build their own houses, sensitising residents on working with banks			1	
Reducing interest rates by banks			1	
The housing problem can be solved by making quick the procedure of having a construction permit				5
Houses should be constructed depending on people's categories; the private sector should organize the transport sector so that people may live outside of Kigali				1
<b>Q9. Suppose you were looking for a new house, what kind of interior layout would you prefer?</b>	<b>LIG1</b>	<b>LIG2</b>	<b>MIG1</b>	<b>MIG2</b>
I would prefer houses with improved sanitation facility	4			
House with four/five rooms and sitting room, fence with gate, self-contained, with garage, fenced house with six rooms	2			
Nobody would like to live in informal settlements. Therefore, if we had money, we would like to live in houses that are clean, house with enough space, house with toilet and water inside and infrastructure in the neighborhood		4		
I would prefer two floors self-contained, and garage, a house with four rooms and sitting room, fenced with gate			1	
I need house with fruits in the garden			1	
Swimming pool and big compound			1	
<b>Q10. What kind of design do you prefer in a house?</b>	<b>LIG1</b>	<b>LIG2</b>	<b>MIG1</b>	<b>MIG2</b>
I do prefer house constructed with bricks	12			
Roofed with modern tiles, house with modern roofing			2	
House with garden, need single story house	7			
<b>Q11. Have you considered building a house? If yes, what made you consider constructing a house? What are the advantages? If no, what are the reasons?</b>	<b>LIG1</b>	<b>LIG2</b>	<b>MIG1</b>	<b>MIG2</b>
Yes, I have considered building a house because I am fed up of renting	1			
Renting is extremely expensive in Kigali	2			

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No, we do not have the capacity to build a house I am not secured when I do not have my own house	3			
I bought a plot to build a house, but I have not developed it due to lack of money	1			
Yes, we are planning to build our own house but we lack funding and the city is not helping us to have our own house		5		
My son, can you go and ask the mayor to support us! We need subsidy from our Government		6		
Yes, we have considered building our own house because it allows saving money that would be used for renting			2	
We need financial support from the City of Kigali			5	
<b>Q12. What is the preferred location of the house?</b>	<b>LIG1</b>	<b>LIG2</b>	<b>MIG1</b>	<b>MIG2</b>
We prefer to build a house where we can have access to infrastructures	4			
I prefer to live in the suburbs, and I need to live out of the City of Kigali once the public transport is well developed	1			
My preferred location of the house is in the suburbs once transport is available			4	
I prefer to live in town due to working conditions			5	
I prefer to live near downtown in order to have easy access to amenities				3
I would like to live outside the city but with one condition: have easy access to transport				3
<b>Q13. What is your preferred type of neighbourhood?</b>	<b>LIG1</b>	<b>LIG2</b>	<b>MIG2</b>	<b>MIG1</b>
I prefer to build a house or live near hospital, markets, and schools for children, transport facilities, church, and my family		21		
I prefer to have access to the main road, schools, administrative organs, church, and hospital				7
<b>Q14. What do you think about apartments? What sorts of people generally live in apartments in Kigali?</b>	<b>LIG1</b>	<b>LIG2</b>	<b>MIG1</b>	<b>MIG2</b>
What I think about apartments is that they are for small families and therefore they are not appropriate for Rwandans who prefer to reside with many families. With apartments, it is easy for the state to construct infrastructures, apartments are good but they are expensive, apartments are commonly used by foreigners like Indians and high income earners, people with small families prefer apartments though, apartments are appropriate for the young people who are not married		14		
The apartments are for single people, small family, expatriates, and rich people. With apartment, you lack privacy but you enjoy to live in			14	
<b>Q15. Would you consider living in an apartment? Why? What do you think people generally feel about living in an apartment?</b>	<b>LIG1</b>	<b>LIG2</b>	<b>MIG1</b>	<b>MIG2</b>
(General laughter and refusal). No, impossible, may be my children!		14		
Yes, of course, why not, it is lovely to live in apartments			10	
However, we need to have a place for socialisation, common place, garden where children can play, separation according to marital status, gender, etc.			5	
Although, socialisation is important, privacy is equally important and we need private bathroom, toilet, etc.			7	
<b>Q16. What financial institutions are most available in the City of Kigali?</b>	<b>LIG1</b>	<b>LIG1</b>	<b>MIG1</b>	<b>MIG2</b>

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The financial institutions which are available in the City of Kigali are: Bank Populaire, Bank of Kigali, ECOBANK, COGEBANK, Agaseke, Urwego Opportunity bank, COPEDU, Duterimbere, Equity, and KCB	21			
The financial institutions which are available in the City of Kigali are: Commercial bank of Rwanda, FINA Bank, Bank populaire, Bank of Kigali, ECOBANK, ACCESS Bank, COGEBANK, Agaseke, Urwego Opportunity bank, COPEDU, Duterimbere, Equity, and KCB, Unguka S.A, Equity Bank				7
<b>Q17. What types of financial products and services do you know about?</b>	LIG1	LIG2	MIG1	MIG2
The types of financial products and services are loan, advance salary, paying school fees for students, current account, saving, depositing, mobile banking	14			
The financial products and services that we know are loan, savings, advance salary, paying school fees of students through banks, current account, deposit account, mobile banking			14	
<b>Q18. Do you or anyone in your household have account(s) with one of any financial institution(s) that are most available in Kigali? What types of accounts do you have? If no, what are the reasons for not having an account?</b>	LIG1	LIG2	MIG1	MIG2
We have different types of accounts like saving accounts, current account, saving account for children;	7			
No because I have no job, no enough money	1			
We have saving account, current account, and deposit account			14	
<b>Q19. What types of financial products and services mostly used?</b>	LIG1	LIG2	MIG1	MIG2
The financial products and services that are mostly used are current account and saving account	4			
I do not know	1			
The financial products and services mostly used are current account, saving account. We prefer working with a bank that offers better services and products and less procedures. For instance, ECOBANK has less procedure requirements			14	
<b>Q20. What formal and informal savings are available for households saving for house construction/purchase/improvement? If yes, in which financial institutions?</b>	LIG1	LIG2	MIG1	MIG2
The formal and informal savings that are available are the use revolving funds, saving at bank for long term, pay long term loan for housing at bank, we lend money especially from Banque Populaire and Umurenge SACCO	7			
The informal way we use to get finance is the use revolving funds and Bank Lambert		3		
The formal and informal savings that are available are savings at bank for long term			6	
Bank Populaire is good because it does not sell immediately mortgaged house when you fail to pay back			2	
Also, in BRD, there is a department in charge of providing loan for housing			4	
<b>Q21. What formal and informal loan systems are available for households to use for housing construction? If yes, in which financial</b>	LIG1	LIG2	MIG1	MIG2

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<b>institutions? How much? Type of loan?</b>				
The available loans systems are loan from banks, no, I did not get any loan	<b>14</b>			
The formal and informal loans systems are loan salary, long term loan, use of revolving fund in a group			<b>5</b>	
Use of Bank Lambert				<b>1</b>
We lend money especially from Banque Populaire and Umurenge SACCO			<b>2</b>	
Yes, I got one loan for 2,200,000 FRWs and I had to pay for three years 64,000 FRWs per month, I can pay a loan of 100, 000 FRWs per month, I can pay a loan of 200, 000 FRWs per month, I can pay a loan of 140, 000 FRWs per month			<b>4</b>	
<b>Q22. How do you consider the price of housing construction?</b>	<b>LIG1</b>	<b>LIG2</b>	<b>MIG1</b>	<b>MIG2</b>
The price of housing construction is high and this is due to construction materials which are very expensive, delays to get the construction permits from districts and they are expensive	<b>8</b>			
Constructing is very expensive and this is due to materials, plots and manpower which are expensive		<b>6</b>		
(GENERAL CONSENSUS) The price for construction is high and this is mainly due to the construction materials which are very expensive and masons are now paid a lot of money; construction permits took almost two years and they are expensive			<b>14</b>	
<b>Q23. How long did the process of construction take (from deciding to build to completing the construction)? If it took long, what were the things determining this length of time?</b>	<b>LIG1</b>	<b>LIG2</b>	<b>MIG1</b>	<b>MIG2</b>
The construction of a house takes long time to get finished to majority of people due to shortage of money, construction materials are costly and to get loan from bank also takes long time to fulfil bank procedures			<b>28</b>	
<b>Q24. What about buying a house from an owner? What you consider doing this?</b>	<b>LIG1</b>	<b>LIG2</b>	<b>MIG1</b>	<b>MIG2</b>
Buying a house from owners is too expensive as well. We all want to buy a house or construct a house but we do not possess capacity to purchase it due to our low- income		<b>14</b>		
To buy a house is too costly and the problem is that a purchased house does not necessarily meet requirements and preference of the buyer			<b>14</b>	
<b>Q25. How do you consider the price of housing renting?</b>	<b>LIG1</b>	<b>LIG2</b>	<b>MIG1</b>	<b>MIG2</b>
(Group laughter) Renting is extremely expensive in Kigali and yet the price for house does not necessarily correspond to the quality of house for rent	<b>8</b>			
Housing renting is an issue and the city has to act to avoid homeless people in the future			<b>7</b>	
<b>Q26. Would you be willing to purchase your preferred housing at an affordable price? Would you be prepared to take out a loan to pay for it? If yes, how much are you willing to pay per month to repay a loan over what period? If no, why?</b>	<b>LIG1</b>	<b>LIG2</b>	<b>MIG1</b>	<b>MIG2</b>
(GENERAL Yes), I am willingly to purchase my preferred house but at	<b>6</b>			

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an affordable house. I need a house with a value of five million and I can pay 20,000 RWFs a month, I need a house with a value three million and I am able to pay back 15,000 RWFs a month until I complete a loan				
I need a house with value of ten million and I am ready to pay 80,000 RWFs per month, I need a house with a value of twenty million and I can pay about 140,000 RWFs per month, for me, a house with a value of twenty five million is enough and I can pay back for every about 120,000 RWFs			8	
<b>Q27. Would you be willing to take out a loan to improve the house you live in?</b>	<b>LIG1</b>	<b>LIG2</b>	<b>MIG1</b>	<b>MIG2</b>
(ALL) Yes, we are willing to take out a loan to improve the house we live in but the Government through the City of Kigali does not offer a permit to do so (LIG 1 and LIG 2);	14			
No, there is no need to request another loan while I have not yet completed paying my first loan				7
<b>Q28. If you wish to rent a property, how much per month are you able to pay?</b>	<b>LIG1</b>	<b>LIG2</b>	<b>MIG1</b>	<b>MIG2</b>
First of all, we request the Government to regulate the renting price in Kigali because landlords charge a lot of money without considering the quality of house. For instance, a house of two rooms without water and electricity is charged of 25,000 RWFs. We request to reduce the price at 3,000 RWFs for this house; another person said that a house with no electricity and water must be charged below 7,000 RWFs regardless where it is located	8			
<b>Q29. Would you be willing to live in an apartment at an affordable price? Would you want to rent or buy? If yes, how much are you willing to pay for an accommodation in apartment? Monthly loan repayment or rent. If no, why?</b>	<b>LIG1</b>	<b>LIG2</b>	<b>MIG1</b>	<b>MIG2</b>
(Laughter) I am not willing to live in an apartment because I consider it as a slum in which I live and I am not comfortable with my residence. However, if it is an obligation to live in an apartment, I cannot pay beyond 30,000 RWFs monthly, If I have to live in apartment, I prefer an apartment with 2 rooms, sitting room and dining self-contained for 20,000 RWFs monthly, I prefer an apartment with 2 rooms, sitting room and dining self-contained for 35, 000RWFs monthly, I prefer an apartment with 2 rooms, sitting room and dining self-contained for 20,000 RWFs monthly, I prefer an apartment with 2 rooms, sitting room and dining self-contained for 20, 000FRWs monthly	8			
(Laughter), how can I live in apartment while I am poor? Please, we need just a secured house, that's all! We will live in apartment unless we pay not more than 25,000 RWFs and those apartments should be equipped with four rooms, that 'all!		6		
Most of participants are willing to live in an apartment at a price ranging between 70,000 RWS and 150, 000 RFWs.			12	
We are not willing to live in apartments because apartments are not safe for children			2	
<b>Q30. If buying a property or building houses, how much in monthly mortgage payments are you able to pay?</b>	<b>LIG1</b>	<b>LIG2</b>	<b>MIG1</b>	<b>MIG2</b>

## CHAPTER 2 – PREFERENCES STUDY – FINAL REPORT

We will be able to pay 25,000 RFWs per month	<b>6</b>		
40,000 RFWs per month	<b>2</b>		
15,000 RFWs a month	<b>1</b>		
30,000 RFWs per month	<b>4</b>		
If I have to buy a house, I will be able to pay 80,000 RFWs per month			<b>2</b>
150,000 RFWs per month			<b>4</b>
200,000 RFWs a month			<b>5</b>
170,000 RFWs per month			<b>4</b>

## 6. Annexes

### 6.1. Socio-economic profile information of FGDs participants

**Table 7. Specific characteristics for every participant in each group**

1. Gender	
2. What is your marital status	
4. Age	Indicate years :
5. Highest level of education	
6. What is your Main Occupation/profession	
7. Household size	7.1. Adults (over 15 years)_____
	7.2. children ( 15 years and under)_____
8. How many people contribute in cash and/or kind to the maintenance of the household	_____
9. Net Income per	9.1. Personal income:_____

month	9.2. Household income (all earners combined): _____
10. Main expenditures of your household? How much does your household spend a month on:	10.1. Food 10.2. Housing 10.3. Health 10.4. Education 10.5. Water 10.6. Rent 10.7. Mortgage for housing 10.8. Other (Specify)
11. What type of habit do you live in?	11.1. Umudugudu 11.2. Former regroupment (Resettlement) 11.3. Isolated habitat 11.4. Neighborhood lot 11.5. Unplanned community 11.6. Other type of habitat
12. What is your current housing status?	12.1. Owner/Occupier without mortgage 12.2. Owner/Occupier with mortgage 12.3. Tenant 12.4. Free accommodation 12.5. House provided by employer 12.6. Other (write in).....
13. How much on average do you save a month (if nothing write in 0)	<hr/> <hr/>

## 6.2. Agenda for Focus Groups Discussions

### 6.2.1. Introduction

Good morning/afternoon and welcome to our session. Thank you for taking the time to join our discussion on how we can improve affordable housing in the City of Kigali. My name is Aime Tsinda and I represent the Institute of Policy Analysis and Research-Rwanda. Assisting me is Godfrey Ngoboka and Carine Tuyishime who will take notes of what you say. We are attempting to gain information about how affordable housing can be provided in the City of Kigali. Today, we will be discussing about the attitudes and preferences of potential end-users (middle and low-income households) of the housing typology and housing finance, barriers and strategies to overcome them. There are no right or wrong answers but rather differing points of view. Please feel free to share your point of view even if it differs from what others have said.

Before we begin, let me remind you of some ground rules. Please speak up, but only one person should talk at a time so that we can all hear what they have to say. Everyone will get a chance to make a contribution. We are tape-recording the session because we do not want to miss any of your comments. If several of you are talking at the same time, the tape will get garbled and we will miss your comments! You may be assured of complete confidentiality. We will be writing up the findings from the research for a report for *PLANET CONSORTIUM (Ars Progetti)* which has been requested by the City of Kigali to conduct this research. We will not name any individual in a report and will only refer to people by their status or occupation. Our session will last about an hour, and we will not be taking a formal break. We would also ask that if you tell other people about this discussion you do not refer to any of the other participants by name.

Have you got any queries? Are you happy to go ahead with the discussions? If yes, let us begin our discussion.

## 6.2.2. Guiding questions

### I. Housing

#### ❖ Types of houses

1. What type of house do you have?
2. How satisfied are you with your current house? Does it meet the needs of your household?

*Probe (what do you like about it, what is problematic)*

3. What mechanisms did use to get a house? What strategies used by other citizens in Kigali to build a house?

*Probe (did you inherit it, did you buy it from the former owner, did you buy it from a developer, did you buy land and build it)*

4. Have you considered trying to improve your house?

*Probe (put up a new perimeter wall, put in improved sanitation, built additional rooms, tenant, informal settlement)*

5. What types of houses do you know about?

*Probe (Please mention and describe them)*

6. What aspect and features do you like and dislike about each?

*(Types – individual in a compound, individual on a plot, on an estate, detached, attached, single story, two floors, apartment)*

7. If you are a tenant, are there any particular barriers that would prevent you from owning a house?

*Probe (cost of buying, do not own land, afraid of credit, no collateral, do not want to own a house in Kigali)*

8. What do you think are the main things that would help solve the housing problem in Kigali?

*Probe (What can the city do? What can the private sector do? What can residents do? )*

❖ **Housing typology and architecture and preferences**

9. Suppose you were looking for a new house, what kind of interior layout would you prefer?

*Probe (number of rooms, size of living room, separate dining room, size of the building, size of windows conditioning the acceptance of a house? How?, kitchen, bathroom sanitation, servants room, do children have to each have their own room, garage for car)*

10. What kind of design do you prefer in a house?

*Probe (Number of floors, type of building materials, perimeter wall, presence and size of garden determining the acceptance of a house or apartment?)*

11. Have you considered building a house?

11.1. If yes, what made you consider constructing a house? What are the advantages?

11.2. If no, what are the reasons? *Probe ( too much bother, no land too expensive, difficult to get a mortgage )*

12. What is the preferred location of the house?

*Probe (Do you prefer living in a central/out-of-town/country?) Reasons....*

13. What is your preferred type of neighbourhood?

*Probe (Do you prefer to build a house or live near school/church/hospital/market)*

14. What do you think about apartments? What sort of people generally live in apartments in Kigali?

15. Would you consider living in an apartment? Why? What do you think people generally feel about living in an apartment?

## **II. Housing finance**

### **❖ Awareness/use of financial products and services**

16. What financial institutions are most available in the City of Kigali?

(Banks, micro-finance, (SACCOS etc )

17. What types of financial products and services do you know about?

18. Do you or anyone in your household have account(s) with one of any financial institution(s) that are most available in Kigali?

18.1. What types of accounts do you have (probe current, savings loan, mortgage (loan to buy/build a house, with bank, micro-finance, SACCOS etc)

18.2. If no, what are the reasons for not having an account?

19. What types of financial products and services mostly use

### **❖ Savings and loans**

20. What formal and informal savings are available for households saving for house construction/purchase/improvement?

*Probe (Do you or anyone in your family save specifically for housing construction/purchase, land?)*

20.1. If yes, in which financial institutions?

21. What formal and informal loan systems are available for households to use for housing construction?

*Probe (Do you or anyone in your family save specifically to get mortgage/housing loan or do you or anyone in your family have a loan for housing?)*

21.1. If yes, in which financial institutions?

21.2. How much?

21.3. Type of loan (mortgage, salary loans, etc.)

❖ **Price, willingness and ability to pay**

22. How do you consider the price of housing construction?

*Probe (Is it easy or difficult to construct? What factors made it easy/difficult?)*

23. How long did the process of construction take (from deciding to build to completing the construction)?

23.1. If it took long, what were the things determining this length of time (saving money, finding mason, materials, etc.)?

24. What about buying a house from an owner? What you consider doing this?

25. How do you consider the price of housing renting?

26. Would you be willing to purchase your preferred housing at an affordable price?

26.1. Would you be prepared to take out a loan to pay for it?

26.2. If yes, how much are you willing to pay per month to repay a loan over what period?

26.3. If no, why?

27. Would you be willing to take out a loan to improve the house you live in?

28. If you wish to rent a property, how much per month are you able to pay?

29. Would you be willing to live in an apartment at an affordable price?

29.1. Would you want to rent or buy?

29.2. If yes, how much are you willing to pay for an accommodation in apartment? Monthly loan repayment or rent.

29.3. If no, why?

30. If buying a property or building a house, how much in monthly mortgage payments are you able to pay?

**Table 8: Sampling Frame for FGDs Groups**

FGDs	Number of male to be interviewed	Number of female to be interviewed	Total	Date and time to be interviewed
Low-income households <b>(Group 1)</b>	4	4	8	16 <sup>th</sup> May 2012 at 9.00 (IPAR boardroom)
Middle-income households <b>(Group 1)</b>	4	4	8	16 <sup>th</sup> May 2012 at 14.00 (IPAR boardroom)
Low-income households <b>(Group 2)</b>	4	4	8	17 <sup>th</sup> May 2012 at 9.00 (IPAR boardroom)
Middle-income households <b>(Group 2)</b>	4	4	8	17 <sup>th</sup> May 2012 at 14.00 (IPAR boardroom)