REAL ESTATE DEVELOPMENT, LAND TENURE AND LAND VALUE DYNAMICS IN THE PERI URBAN AREAS OF GREATER KAMPALA CITY

BY

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DECLARATION

I, NAKATUDDE RUTH, declare that, the work contained in this thesis is my original work and has never been submitted for any degree elsewhere.

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APPROVAL TO SUBMIT

This dissertation has been submitted with the approval of my supervisor:

Assoc. Prof. H. Sengendo

Sign: …….

Date: …….

DEDICATION

This piece of work is dedicated to my family: my husband Mr. Galabuzi Isaac, my sons Joel and Jordan and daughter Jemimah for their support and patience through the times that I couldn't be with them due to my commitment to accomplish this degree.

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TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF MAPS

LIST OF PLATES

ABSTRACT

Real Estate Development is relatively a new investment opportunity that has enabled people to purchase plots of land and construct homes in peri-urban areas of Kampala. This study is an attempt to examine the impact of Real Estate Developments on land value dynamics and physical planning in the peri-urban areas of Kampala District. Four Real Estates of Kirinya, Kakunguru, Lubowa and Naalya were studied. Specifically, the study sought to establish the extent to which Real Estate Development has influenced land values, which land tenure system attracts more Real Estate Development, how far Real Estate Development conforms to the physical planning guidelines and principles and, how Real Estate Development has facilitated the distribution of social services in the study area. Primary data were collected using a structured questionnaire and interview guide. Field observations and secondary data supplemented interviews. A total sample of 93 respondents including estate residents, officials of NHCC and Arkright projects limited and local leaders were consulted. Data collected was analysed by using the Statistical Package for the Social Science (SPSS). Descriptive statistics were used in the analysis.

Research findings indicate that Real Estate Developments have influenced land values in the areas within and around the estates due to the services and facilities which are extended nearer to the plots. However, this increased the cost of land, which the poor could not afford to buy. Real Estate Developments were found to be on mailo land due to the freedom and security of ownership it guaranteed the owner as compared to the leasehold whose ownership is un certain and the annual premium charges which increase the cost of land in the long run. To a small extent, real estates followed physical planning guidelines as evidenced from the master plan or design layouts, however, it was noted that some people did not know anything about physical planning and equated physical planning master plans to site layouts of building plans. This indicates how physical planning was still unknown by the people, hence the need for community sensitisation.

Finally, the study recommended community sensitisation to improve awareness on planning, government intervention in land markets to control the sky rocketing prices, prior planning by the concerned local authorities before the establishment of the estates, consideration of the low income groups when establishing the estates, close monitoring and supervision of the estates operation to ensure that the prepared master plans are

being followed and the promotion of public private partnership to improve services delivery.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

Real Estate Development is a relatively new investment opportunity that has enabled people to purchase plots of land and construct homes in peri-urban areas of Kampala. However, given the relatively short period of time in the development of the real estate market in Uganda, there are still a lot of deficiencies in the market. One of these is the difficulty in establishing values for real estate assets. There is also complication of the Real Estate Development procedures, which affects physical planning guidelines. Consequently, this study sought to establish the extent to which Real Estate Development has influenced land values, the land tenure system that attracts more Real Estate Development, the relationship between Real Estate Development and Physical Planning and, how Real Estate Development has facilitated the distribution of social services in peri-urban areas of Kampala City.

1.1 Background to the study

The shortage of decent housing in sub-Saharan Africa's burgeoning cities and towns, particularly for low and moderate income families, is already acute and growing worse day by day (International Housing Coalition, 2008). With urban growth rates of 5% per annum, it is estimated that by 2030, Africa's cities and towns will have to accommodate more than 300 million new residents. A reasonable estimate is that at least 7,000 units per day or 290 units per hour will be required throughout the region to eliminate the current housing deficits and provide for new urban dwellers (International Housing Coalition, 2009). However, only a small fraction of this amount is actually being produced. Unless a

quantum increase in the production of housing is achieved, cities already unable to cope with the dramatic levels of urbanization will be completely overrun with informal settlements and slums. Currently 74% of Zambia's urban population lives in slums; in Nigeria, 80%; in Sudan, 85.7%; in Tanzania 92.1%; in Uganda, 93%; and in Ethiopia a staggering 99.4% (Republic of Uganda, 2007).

In the early 1970s, housing provision to the community or general public in the urban areas of Uganda was a role of the government. Housing needs of the local people were catered for through a number of housing schemes that were put in place. However, with time government's role in housing provision declined and government stopped to invest in the housing schemes because of the problems that were associated with the operation and maintenance of the housing schemes. To-date both government and private developers are responsible for housing provision and private real estate developers are at the forefront of the housing estates and land market in Uganda. The main task of the government is to put in place appropriate policy, legal and regulatory framework for the housing sector to flourish (The National Development Plan, 2010).

The Uganda National Housing Survey (2005/06) indicate that 75% of the households lived in own dwellings while 16% lived in rented units. However, in Kampala, 64% of the households occupy rented structures whereas only 28% live in owner occupied dwellings. This is attributed to the high cost of land and construction of housing units as well as the lucrative businesses associated with real estate development. Therefore, Uganda's current housing stock is estimated at 5.28 million housing units with an average household size of 4.7 persons (UBOS, 2006). The national occupancy density is estimated at 1.1 households per housing unit, giving a total national backlog of 612,000 units. According to UBOS (2006), the urban areas have a total national stock of 700,000 units with a backlog of

153,000 units compared to the rural areas with a stock of 4,580,000 units with a backlog of 458,000 units. It is this scarcity of housing units in urban areas of Uganda that has led to emergence of private estate developers like Akright Real Estate to transact the business of buying and selling land as well as constructing houses for sale to the general public. The demand for land in peri-urban areas of Kampala City has increased land values and at times land developments take place in total disregard of physical planning guidelines. However, since most land buyers prefer security of tenure, private mailo land has been preferred to other land tenure types because of the security conferred by the land title as well as ownership in perpetuity.

According to Baia (2001), land value is influenced mainly by habitation needs, which make the demand for construction land increase considerably. The peripheral quarters are invaded by inhabitants, of high or low income, who come out from the "cement city" to build houses, "country houses" in the periphery. This citizen's exodus increases land and plots demand hence the rise in land values. The land price is influenced by macroeconomic factors and other more subtle and localized factors including; centrality, spatial age, accessibility and the relationship between periphery and transport systems. However, it should be noted that the periphery land price is equivalent to farming soil added equipment and feasibility costs of an amount that corresponds to anticipation over the value achieved by urban land and a rare rent when there is little land for building. Therefore, the amount of equipped land, improvement of urban transport speed as well as the creation of secondary centers would reduce the rents and the land value as a whole.

Most African governments have now realized that only through tapping the initiative and resources of the private sector can they make significant inroads into meeting the housing needs of their citizens. They have come to understand that the principal role of the public

sector is one of providing a favorable enabling environment for the private sector in which it can operate and produce housing. In Uganda, the government's inability to provide housing, the sector has been taken on by the private sector. This involves actors like the private developers who own land and so they chose to put up housing for rent. However, the other key actors who are the focus of this study are the real-estate developers. These acquire land within the peri-urban areas, plan it then develop houses for their clients. It should be noted that these players started as land speculators but with time they have actually gone into the business of housing provision. This is a positive development in revamping the housing sector in Uganda.

The real estate sector has been growing at an average rate of 5.6% percent per annum between 2004 and 2008 (Ministry of lands, Housing and Urban Development, 2008). The sector on average accounts for 7.5% of Uganda's GDP. Its growth is attributed to rapid population growth, increase in disposable income, increase in direct foreign investment and immigrant remittances (National Development Plan, 2010). Despite the fast growing real estate and property development industry, it is estimated that over 153,000 units are needed to cope with the rising population in the Kampala Business District alone (Ministry of Finance, Planning and Economic Development, 2006). Two companies, National Housing and Construction Company (NHCC) and, Akright Real Estate, a joint venture between Ugandans and South Africans were the focus of this study. NHCC, a parastatal is the clear market leader with a national coverage but producing less than 300 units per annum or less than 1% of Kampala's housing undersupply (Businge, 2007). Akright Real Estate which was established in 1999 produces approximately 50 housing units per annum for middle class residents in the peri-urban areas of Kampala City. Although the contribution of real estate developers to alleviating the housing crisis in Uganda is

commendable, it is not clear if the development pattern of these estates conforms to basic land use planning requirements on different land tenure systems including provision of social services. It is against this situation that a study to examine the impact of Real Estate Developments on land values and physical planning in the peri urban areas of Kampala City was conducted.

1.2 Statement of the Problem

Real Estate Development is supposed to facilitate housing delivery for the various categories of people. However, the establishment of real estate has influenced changes in land values, which has not positively impacted on some sections of the community especially the low-income earners who cannot afford to meet the market values of either a serviced plot or shell house in these estates. This makes the delivery and accessibility to land very difficult for the majority of the people. In an attempt to acquire big chunks of land, real estate developers entice land owners to sell them big pieces of land. This deprives the sellers of owning the land and in most cases not sharing the established services. On acquiring the land, Businge (2007) noted that real estate developers sub-divide it into small plots (usually 50 x 100feet) and sell it at high prices to average income earners.

Besides, it is not clear if the development pattern of these estates conforms to basic land use planning requirements on different land tenure systems including provision of social services. It has been reported by Lwasa (2004) that some estate developers do not follow physical planning guidelines which negatively impacts on the people who acquire property in the housing estates and the general development of these areas.

1.3 General Objective

The general objective of the study was to determine the impact of Real Estate Developments on land values and physical planning in the peri urban areas of Kampala District.

1.3.1 Specific Objectives

1. To establish the extent to which Real Estate Development has influenced land values in the study area.
2. To establish which land tenure system attracts more Real Estate Development.
3. To establish the relationship between Real Estate Development and physical planning guidelines.
4. To identify how Real Estate Development has facilitated the distribution of social services in the study area.

1.4 Research Questions

1. To what extent does Real Estate Development influence land values?
2. What type of land tenure attracts more Real Estate Development?
3. How far does Real Estate Development conform to the physical planning guidelines?
4. How has Real Estate Development facilitated in the distribution of social service delivery?

1.5 Scope of the study

The study focused on two different forms of real estate providers. These included the government led Real Estate Development which is National Housing and Construction Corporation and established private real-estate developers - Arkright Real Estate developers.

In terms of coverage the study covered the Northern and Southern parts of the Kampala peri-urban areas which include Kira Town Council on the northern part and Makindye Sub County and Sissa Sub County in the Southern part, all of which lie within Wakiso District as a peri urban area for Kampala city. These areas were selected for study because they have experienced a high level of Real Estate Development by both the government and private individuals and thus necessary to establish whether this has had an effect on land values, social service delivery as well as conforming to physical planning guidelines. In the two zones (Northern and Southern), two real estates were covered; one with government arm and one which is purely private and at a large scale. In this case therefore, Naalya housing estate for National Housing and Kirinya Housing Estate for Arkright were considered in the Northern part. In the Southern zone, two estates of Lubowa and Kakungulu for National Housing and Arkright respectively were covered and these lie in Makindye Sub County and Sissa Sub County respectively.

Regarding the content scope, the study sought to establish the extent to which Real Estate Development has influenced land values, the land tenure system that attracts more Real Estate Development, relationship between Real Estate Development and Physical

Planning and, how Real Estate Development has facilitated the distribution of social services in the areas studied.

The time scope ranged between 1998 when Land Act (that defines Uganda's land tenure types) was enacted to 2004 when real estate development was popularized in the peri-urban areas of Kampala City.

1.6 Justification of the study

Estate development especially by private developers is a new phenomenon in Uganda. The available information indicates that studies done have mainly concentrated on social facilities in and around public housing estates (Okoth-Ogendo, 1998; Nsamba Gayiira, 1999) with little or no attention given to determining the impact of both private and public Real Estate Developments on land value dynamics in the peri urban areas of Kampala District.

Besides, there is generally an increasing demand for housing in Uganda and in many other developing countries in the world. World population and specifically Uganda's population has more than doubled over the last few years. It was therefore imperative to assess the role played by the housing estate developers in housing provision. Above all, Uganda's main resource for production, future expansion and development is vested in land, its therefore important to establish the impact of these Real Estate Developments on the land values, social service delivery and other land related issues.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter presents the literature review and conceptual framework. The literature review looks at the various areas of research undertaken about the impact of Real Estate developments on the land values and physical planning guidelines. It further shows how this study relates to, and builds upon the existing knowledge base. The literature review covers the history of Estate Development, physical planning guidelines in Estate Development, Estate Development and Land Tenure Systems, Land Pricing, Housing Delivery and Land Values and Conceptual Models of Urban Land Use. Finally, the conceptual framework is presented.

2.1 Literature review

This section presents existing related literature concerning Real Estate Development, land tenure and land value dynamics in the local and international perspective. This information was got from textbooks, journals, reports, and periodicals and from the Internet among other sources.

2.1.1 History of Estate Development

An investigation of the problems of difficult to ‘let’ dwellings published in 1981, by Glennerster and Turner Comment showed the physical neglect and concentration of poor social conditions on some estates. It was concluded that the ‘hard to let’ label was a misnomer. What they were observing was merely the most unattractive end of the public housing management. The surveys described in vivid detail, supported by photographs, the physical conditions and some of he social consequences for the tenants, they also

described the steps the local authorities were taking to remedy the situation. (Glennerster and Turner, 1999).

In regard to the above the department of the Environment set up the priority Estates Project with Ann Power as the lead Consultants. This project has similar emphasis to the original brief of the Community Development projects established in the late 1960s to tackle the problem of urban deprivation (Lees and Smith, 1975). The coordination of bureaucracies at the local levels and participation of people were given prominence but an academic attention focused on the issue of three major explanations of the existence of such unpopular estates became available: poor management, poor design and poor tenants.

The Priority Estates project focused on deficient management as the most important causal factor capable of being influenced by policy, and promoted local or private estate management as the solution. Existing housing management structures were deemed to be incapable of providing flexible, adaptable, renting styles and systems.

Power (1993), further clarifies that this was due to lack of definition, it was no one's responsibility and it grew in layers of reaction to problems and the division of functions was never resolved, at the same time, the size of the local authority stock expanded far more rapidly than the systems could cope with, therefore estates deteriorated rapidly as a consequence of the remote, town-hall-based administrative system and the low level of direct service.

Olinger (2006) indicates that while there are certainly opportunities for the formal private sector to increase its participation in selling materials, subdividing land, providing utility

services and, to some extent, building basic shelter for rent and sale, there are also limitations that need to be recognized. The poor are poor and in many cases their sources of income are erratic. In most countries they can afford only minimal, incremental solutions to their shelter problems, and these only if they can save or borrow money to pay for them.

2.1.2 Physical Planning Guidelines in Estate Development

A Town and Country Planning Board was created in 1951 by the colonial administration to provide for the orderly and progressive development of land throughout the entire country and had the power to designate any area as a "planning area." The Board can delegate authority to local authorities such as town councils. Under these provisions, the Kampala municipality was declared a planning area along with several smaller areas in the suburbs (Businge, 2006). Under the British protectorate, the Kampala municipality was able to plan rationally, to provide basic infrastructure and to enforce construction standards in the central and European areas of the city on Crown (now public) land, which is now almost entirely leased out or converted to freehold. Under a revised Town and Country Planning Act enacted in 1964 shortly after independence, the Kampala municipality was able to continue to regulate new development and enforce building and infrastructure standards to a relative degree on the public land entrusted to it by the Uganda Land Commission as it created leasehold tenure. However, although the Town and Country Planning Act gave the KCC jurisdiction to enforce planning and building standards "within two miles of the boundaries of the municipality," in practice, it has not made use of its enforcement powers on most *mailo* land.

The international Housing Coalition (2007) adds that although the urbanization and densification of Kampala have continued unabated since independence, overall planning to

guide the growth of the city has been weak. The last Master Plan was completed in 1980 and though there have been efforts to update it, nothing formal has yet replaced the original plan. There is also no overall zoning plan, which has resulted in multiple mixed uses. The city has, however, recently declared the central Nakasero district as commercial for future development. Nonetheless, the capacity of the KCC to enforce building and residential infrastructure quality standards requires significant strengthening.

In contrast to the management and participatory approach of Anne Power, Alice Coleman (1985) placed her emphasis on the bad design. Using the basic premises of Oscar Newman (1973) concerning the lack of defensible space (characterized by a dearth of surveillance and the presence of numerous escape routes), Coleman claimed that many of the unpopular estates could be eradicated by emending their design features.

In her study, Coleman (1985) grounded her argument in 4,099 blocks containing 106,520 dwellings and 4,172 houses. Five indicators of social malaise- litter, graffiti, excrement, vandalism and children care were correlated with 15-design features and significant features were discovered: dwellings per entrance, dwellings per block, storeys per block, overhead walkways and spatial organization registered the highest levels of relation to social malaise.

Alice Coleman linked such design faults to ‘utopianism’ of the Garden City concept of Ebenezer Howard and the Radiant City of Le Corbusier, such utopian planners had attempted to create a sense of community and social life to recognize the ‘territorial imperative’ inbuilt through human evolution which has led us to produce a shelter with its

adjoining piece of territory and to impress it with distinctive marks of identity (Coleman 1985: 18).

Both the poor management and poor design hypotheses on the causes of "problem" estates received official support in the 1980s and 1990s. The Priority Estates Project claimed high level of success in its early demonstration projects. Following some informal steering of resources for physical improvement to local authorities adopting the Priority Estates approach, the Estate Action initiative, introduces in 1986, top sliced a part of the housing investment programme, earmarking it for spending in specific locations according to the needs of the area and the viability of the action proposed by the Council.

It was therefore noted that Decentralization of management of the Estates was an essential ingredient of a successful Estate Action bid but in addition, some element of privatization was necessary in order to satisfy the Cabinet, the prime Minister and the general public while incorporating Coleman's ideas. Alice Coleman's works had impressed Mrs. Thatcher when she commented;

> *... I went further than the DoE (Department of Environment) in believing that the design of estates was crucial to their success and to reducing the amount of crime. I was a great admirer of the work of Professor Alice Coleman and I had made her an adviser to the DoE, to their dismay* (Thatcher, 993:605).

2.1.3 Estate Development and Land Tenure Systems

Although land tenure issues have been identified as a major impediment to the functioning of the land markets in Kampala, particularly as they relate to the tremendous need for additional affordable housing, some practitioners cite the absence of good planning as an even greater constraint to reducing the housing deficit (International Housing Coalition,

2007). They argue that the focus of the Land Policy and the associated land legislation currently being debated in Parliament should focus as much on land planning as it does on land tenure and that the over-emphasis on tenure issues will not substantially increase the supply of land suitable for development. As noted above, the Town and County Planning Act of 1951, last revised in 1964, provides for municipal planning authorities to plan for urban growth in a rational manner and to create reasonable standards for new development. However, Kampala is still using a Master Plan that dates from the 1980s, which has little relevance to the city as it has expanded over the past 25 years.

Consequently, Ministry of lands, Housing and Urban Development (2008) indicates that more than 52 percent of the land in Kampala is held under *mailo* tenure, about 30 percent is public land administered by the KCC and leased to private interests, about eight percent is owned by the government for its use, and about seven percent is freehold and owned by institutions. In the Kampala suburbs, even higher percentages are held under *mailo* tenure.

Land is the most basic requirement for shelter, housing development or home ownership in any community including rural and urban areas. The first test of any housing policy is in the matter of access to land by the population or agents of housing development. The land delivery system in Uganda is typified by the following land tenure systems as stipulated by the Land Act 1998, "Part II, Section 3 of the land Act 1998, states that, Subject to article 237 of the Constitution, all land in Uganda shall vest in the citizens of Uganda and shall be owned in accordance with the following land tenure systems" In 1998, the land Act replaced the Land Reform Decree. The Act recognizes four land tenure systems: customary, free hold, mailo and leasehold.

2.1.3.1 Leasehold Tenure

Lease hold tenure means the holding of land for a given period from a specified date of commencement, on such terms and conditions as may be agreed upon by the lesser and the lessee. It is by private individuals and organizations and is formerly granted for periods varying from an initial period of two years by the urban councils or authorities, three years by the Kampala city Council and five years by the Uganda land Commission. Full leases are given for 49 or 99 years. Such leases may be obtained from the Uganda Land Commission or from Authorities, which have been granted lease by the Uganda Land Commission.

2.1.3.2 Freehold Tenure

Freehold land tenure means the holding of registered land in perpetuity subject to statutory and common law qualifications. It is land owned by a private individual or organization in perpetuity. It involves holding of registered land in perpetuity and enables the holder to exercise, subject to the law, full powers of ownership of land including but not limited tousing and developing the land for any law full purpose, entering into any transaction in connection with the land among others.

2.1.3.3 Mailo tenure

Mailo land tenure means the holding of registered land in perpetuity and having roots in the allotment of land pursuant to the 1900 Uganda agreement and subject to statutory qualifications. This is owned by private individuals and is managed under the Buganda land Board. This form of tenure derives its legality from the constitution; it permits the separation of ownership of land from the ownership of developments on land made by a lawful or bona fide occupant

2.1.3.4 Customary tenure

Customary tenure means a system of land tenure regulated by customary rules, which are limited in their operation to a particular description or class of persons. It is land owned in perpetuity and it is land applicable to local customary regulation and management, to individual and household ownership, use and occupation of, and transactions in land, in which parcels of land may be, recognized as sub divisions belonging o a person, a family or a traditional institution. The rights of customary tenure are very limited.

Therefore, the above types of land tenure in Uganda as recognized by the Land Act 1998 were based on three principles:

- A good Land tenure system should support agricultural development through the function of land market which permits those who have rights in land to voluntarily sell their land and for progressive framers to gain access to land
- A good land tenure system should not force people off the land, particularly those who have no other way to earn a reasonable living or to survive. Land tenure system should protect people's rights in land so they are not forced off the land before there are jobs available in the non-agricultural sector of the economy.
- A good land tenure system should be uniform throughout the country

2.1.4 Land Pricing, Housing Delivery and Land Values

A number of factors are discussed and assessed by researchers in explaining the variations of property values over space. Other than distance to the CBD, the researchers examined several different factors influencing the land and property prices in the past. Among the significant factors are the site characteristics such as its physical infrastructure and the

socio-economic attribute of the neighbourhood (Cadman and Austin, 1991), distance to main amenities such as regional centres, school and parks (Smith, 1993), local changes in population and housing units and ethnic mix (Archer et. al., 1996), as well as planning policies such as land use zoning. Last but not least, the usage of the property, in terms of its title and deeds, function, layout and design, construction quality among others, all contribute to the value of the housing estate.

According to Baia (2001), the land pricing base is related to intervening agents such as; land owners, direct land buyers, and indirect "those who buy infrastructures" or the final beneficiaries and the promoting middlemen. The owner sells the land either for money to resettle or to change activity and live on ones income. The promoter buys the land, equip and build to increase profits and resells. The land value increases. The process creates competition between groups because each one wants to maximize their profits. In a favourable environment, the prices rise and urbanization increases, and when the economy deteriorates, the demand lowers and the market stagnates. However, the author does not link this very well with the situation in developing countries where an inefficient land titling system is making it difficult for people to acquire and develop it; this information gap necessitates further research.

Peri-urban areas are described as the transition zone between fully urbanized land in cities and areas in predominantly agricultural use. Although the interactions between cities and countryside are by no means restricted to these areas, this is where the process is most intense, with changes in land use and farming systems, changing patterns of labour force participation, social change, changing demands for infrastructure, and pressure on natural resource systems to absorb urban-generated waste. Another aspect is the intense

competition around land control. In some rural areas, intensive land development, subdivision and sale may be taking place although with little building construction taking place, as many urban residents make speculative purchases in anticipation of increases in land value because of the expanding city. This type of land conversion from agricultural to urban-industrial use is often the cause of conflict between rural and urban sectors, often at the expense of both urban and rural poor people (Mbiba, 1995).

According to Lwasa (2004), land-markets are strong determinants of the outward movement of Kampala City; land rents being closely related to development densities. In Kampala the intensification of land markets has recently influenced the rapid expansion of the city to the periphery. Peri-urban areas of Kampala have undergone environmental and social changes caused by the extension of urban uses into rural landscapes. These areas have characteristics of spontaneous developments, reliance on largely 'rural based' livelihoods and activated land markets that are converting environmentally sensitive areas to urban uses as well as emergence of social safety nets that connect peri-urban people with both people in rural areas and the core urban areas. Through land speculation, land markets have significantly contributed to the environmental and social changes in Kampala. The environmental costs of land speculation especially in peri-urban areas of Kampala are far-reaching.

This is because rather than developing existing vacant land within the city land, developers have found it more profitable and perhaps convenient to develop vacant land along transport arteries at the periphery, often by converting agricultural land or land earmarked as environmental. This type of development has in the end put greater pressure

on natural resources, particularly wetlands and forests that line the boundaries of the administrative Kampala.

Real estate is a significant investment asset class, a major contributor to economic worth and forms a significant and growing part of cross border direct investment. Hence, it is in the interest of national governments, the valuation profession and the public that the pricing of real estate is carried out reliably, consistently and transparently. Indeed, lack of knowledge of value may represent a barrier to entering investment markets and ultimately the free flow of capital. Consequently real estate value may be impaired rather than enhanced (Downie, 1995).

From an economic perspective, value is defined as the price that will be paid for the highest and best use of real estate which, in an unfettered market, is determined by the forces of demand and supply. However under normal market conditions the price paid for real property in a fettered market will be influenced either positively or negatively by planning policy. In these circumstances, economic value will be interpreted as the highest and best use as adjusted for the permitted use to which the site or property can be put (Harvey and Jowsey, 2004). Gaddy and Hart (1993) reflect that real estate value is created, changed and destroyed by the interaction of four forces: physical, political, economic and social. Physical includes factors such as climate, topography, availability of water and water quality. The political externalities that affect property value include controls over money and credit, government insured or guaranteed loan schemes, health and safety codes, building regulations, rent controls and tax burdens. Economic factors include availability of employment, wage and salary levels, the economic base and diversification. Social externalities include demographics and life-style changes. In contrast, Fisher and

Martin (1995) place emphasis on a narrower group of factors including physical real estate, property rights, bundle of rights and financial components as factors that provide value to real estate.

In order to facilitate the analysis of value components, many definitions have been developed. However the meaning and definition of value has long been a source of controversy reflecting the continually evolving nature of the valuation process (Appraisal Institute, 1996). A lack of common agreement among valuers and investment analysts/practitioners exists as to the precise meaning of terms stemming from the abstract nature of concepts and definitions (Baum *et al.*, 1997).

Despite the number of alternating definitions relating to value, the central axis on which most valuations are founded is market value (Horsley, 1992). Market value is the price paid under specified conditions and is the most probable selling price between a willing buyer and a willing seller under normal market conditions and assumes a sale to the most probable purchaser (Baum *et al.*, 1997). Apparent variations between valuation and price, led the appraisal profession to advocate a distinction to be drawn between calculations of price and worth. Price is defined as the market's estimate of value and, therefore the amount of money exchanged when selling or buying. Clark (1996) argues that sale prices are historical facts whereas estimates of value, which are hypothetical prices, cannot be expected to be equal and when used in real estate appraisals are not synonymous. Evans (2004) contends that price is a measure of what is paid for property or land whereas value is a measure of what the property is worth. This would include the economic worth to the owner, the tenant or in a wider sense to society, with the result that it may in certain cases be difficult to assess value in precise monetary terms.

Crosby (1994) considers that an investment valuation is an attempt to determine the best price reasonably expected in the current market, whether or not this represents intrinsic worth. While the distinction between worth, price and value is not artificial (French and Byrne, 1996), debate in this area has deflected discussion away from the consideration of real estate value per se to one of comparison between the different concepts. McParland *et al.* (2000) in reviewing the literature in this area summarise three main interpretations or senses of value: the quantitative sense where value is an expression of what something is worth, translatable into or expressible by some unit of measurement or comparison; the attributable sense where value is a valuable quality; and the axiological sense where value is an idea with given objects, qualities and events.

Real Estate Development is a multifaceted process where activities range from the regeneration of Brownfield sites to the purchase of raw land to the renovation of existing buildings and to the sale of serviced sites for others to develop. Each of these development actions involves the creation of value by converting a potential opportunity into real estate product with long term investment opportunities. At a given point, every site has a highest and best use that will maximise its value (Peiser, 2003). However, it is in the measurement of value creation/destruction in secondary markets that most problems emerge. Adams *et al.* (1985) considered the shortcomings of valuation practice in failing to recognize value shifts in regeneration areas in inner Manchester where over-reliance on comparable evidence meant that the price of regeneration land retained historical values even in the wake of decreasing demand for land: a problem that has characterized regeneration within the UK (Adair *et al.*, 1998). This has led to the valuation profession being blamed for inconsistencies and failure to reflect the risk and uncertainty associated with projects initiated on regeneration land (Syms, 1996). In situations where land is contaminated, the

approach of highest and best use net of the lowest amelioration costs may not be sufficient in ascertaining the true value of the land given the potential stigma effects. The destruction value therefore depends on a number of remedial factors such as government policies on the treatment of negative effects, the attitudes of potential occupiers and investors towards any long-term liabilities and the availability of recourse to financial incentives to address the externalities (Syms, 1996).

Real Estate Development can be very exciting, creative, and profitable. An experienced developer may have the opportunity to borrow all of the development costs. However, there are real risks associated with Real Estate Development because risks and returns are directly related, and expected high returns usually indicate high risks. Some common subdivision development risks are cost overruns, bad weather, too few sales per month, lower prices, higher marketing costs, and labor strikes. Larger developments that require large initial development costs and longer absorption periods are considerably more risky than smaller developments. The trick is to sell lots much faster than interest accrues on the development mortgage loan and before economic conditions change.

2.2 Conceptual Models of Urban Land Use

The study of urban land use generally draws from three different descriptive models. These models were developed to generalize about the patterns of urban land use found in early industrial cities of the U.S. Because the shape and form of American cities changed over time, new models of urban land were developed to describe an urban landscape that was becoming increasingly complex and differentiated. Further, because these are general models devised to understand the overall patterns of land use, none of them can accurately describe patterns of urban land use in all cities. In fact, all of these models have been

criticized for being more applicable to cities in the U.S. than to cities of other nations. Other criticisms have focused on the fact that the models are static; they describe patterns of urban land use in a generic city, but do not describe the process by which land use changes. Despite these criticisms, these models continue to be useful generalizations of the way in which land is devoted to different uses within the city. Below, we examine the Concentric Zone Model, Sector Model and Multiple Nuclei Model of urban land use.

2.2.1 Concentric Zone Model:

The concentric zone model was among the early descriptions of urban form. Originated by Earnest Burgess in the 1920s, the concentric zone model depicts the use of urban land as a set of concentric rings with each ring devoted to a different land use (see Figure 2.2). The model was based on Burgess's observations of Chicago during the early years of the 20th century. Major routes of transportation emanated from the city's core, making the CBD the most accessible location in the city. Burgess identified five rings of land use that would form around the CBD. These rings were originally defined as the (1) central business district, (2) zone of transition, (3) zone of independent workers' homes, (4) zone of better residences and (5) zone of commuters. An important feature of this model is the positive correlation of socio-economic status of households with distance from the CBD -- more affluent households were observed to live at greater distances from the central city. Burgess described the changing spatial patterns of residential areas as a process of "invasion" and "succession". As the city grew and developed over time, the CBD would exert pressure on the zone immediately surrounding it (the zone of transition). Outward expansion of the CBD would invade nearby residential neighbourhoods causing them to expand outward. The process was thought to continue with each successive neighbourhood moving further from the CBD. He suggested that was largely occupied by immigrants and households with low socio-economic status. As the city grew and the

CBD expanded outward, lower status residents moved to adjacent neighbourhoods, and more affluent residents moved further from the CBD.

The concentric zone model is relevant to urban development in Uganda indicated by the positive correlation of socio-economic status of households with distance from Kampala city centre. The more affluent households tend to purchase big plots of land, construct good houses and live at greater distances from the central city. The pattern of Real Estate Development also partly conforms to this model

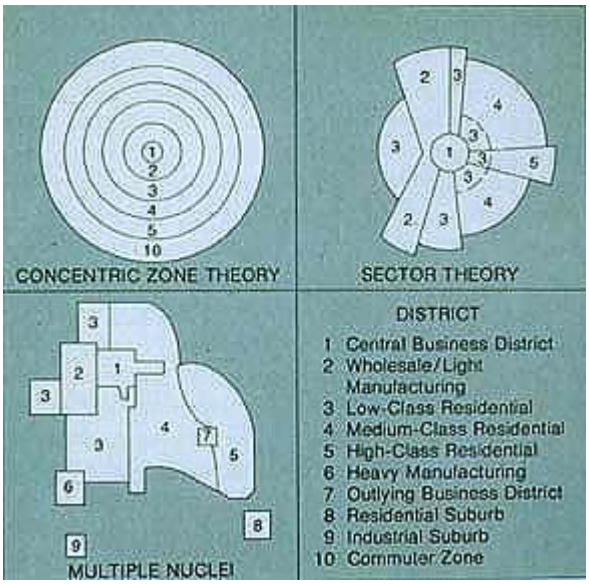


Figure 2.2: Generalizations of Urban Structure

Upper Left: Burgess' Concentric Zone Model; Upper Right: Hoyt's Sector Model; Bottom Left: Harris and Ullman Multiple Nuclei Model. *Graphic prepared by Department of Geography and Earth Sciences, University of North Carolina at Charlotte.*

2.2.2 Sector Model:

Soon after Burgess generalized about the concentric zone form of the city, Homer Hoyt re-cast the concentric ring model. While recognizing the value of the concentric ring model, Hoyt also observed some consistent patterns in many American cities. He observed, for example, that it was common for low-income households to be found in close proximity to railroad lines, and commercial establishments to be found along business thoroughfares. In 1939, Hoyt modified the concentric zone model to account for major transportation routes.

Recall that most major cities evolved around the nexus of several important transport facilities such as railroads, sea ports, and trolley lines that emanated from the city's centre. Recognizing that these routes (and later metropolitan expressways and interstate highways) represented lines of greater access, Hoyt theorized that cities would tend to grow in wedge-shaped patterns, or sectors, emanating from the CBD and centred on major transportation routes. Higher levels of access translate to higher land values. Thus, many commercial functions would remain in the CBD, but manufacturing activity would develop in a wedge surrounding transport routes. Residential land use patterns also would grow in wedge-shaped patterns with a sector of lower-income households bordering the manufacturing/ warehousing sector (traffic, noise and pollution making these less desirable locations to live) and sectors of middle- and higher-income households located away from industrial sites. In many respects, Hoyt's sector model is simply a concentric zone model modified to account for the impact of transportation systems on accessibility.

Urban land use in Uganda is not very different from this model. Many people prefer to settle in areas served by a developed transport system. The study also found that land for Real Estate Development is usually purchased in remote areas surrounding urban centres but in order for it to gain value, the real estate providers construct access roads as well as provision of electricity. With such social facilities in place, land value increase and eventually further urban development.

2.2.3 Multiple Nuclei Model

By 1945, it was clear to Chauncy Harris and Edward Ullman that many cities did not fit the traditional concentric zone or sector model. Cities of greater size were developing substantial suburban areas and some suburbs, having reached significant size, were functioning like smaller business districts. These smaller business districts acted as

satellite nodes, or nuclei, of activity around which land use patterns formed. While Harris and Ullman still saw the CBD as the major centre of commerce, they suggested that specialized cells of activity would develop according to specific requirements of certain activities, different rent-paying abilities, and the tendency for some kinds of economic activity to cluster together. At the centre of their model is the CBD, with light manufacturing and wholesaling located along transport routes. Heavy industry was thought to locate near the outer edge of city, perhaps surrounded by lower-income households, and suburbs of commuters and smaller service centers would occupy the urban periphery.

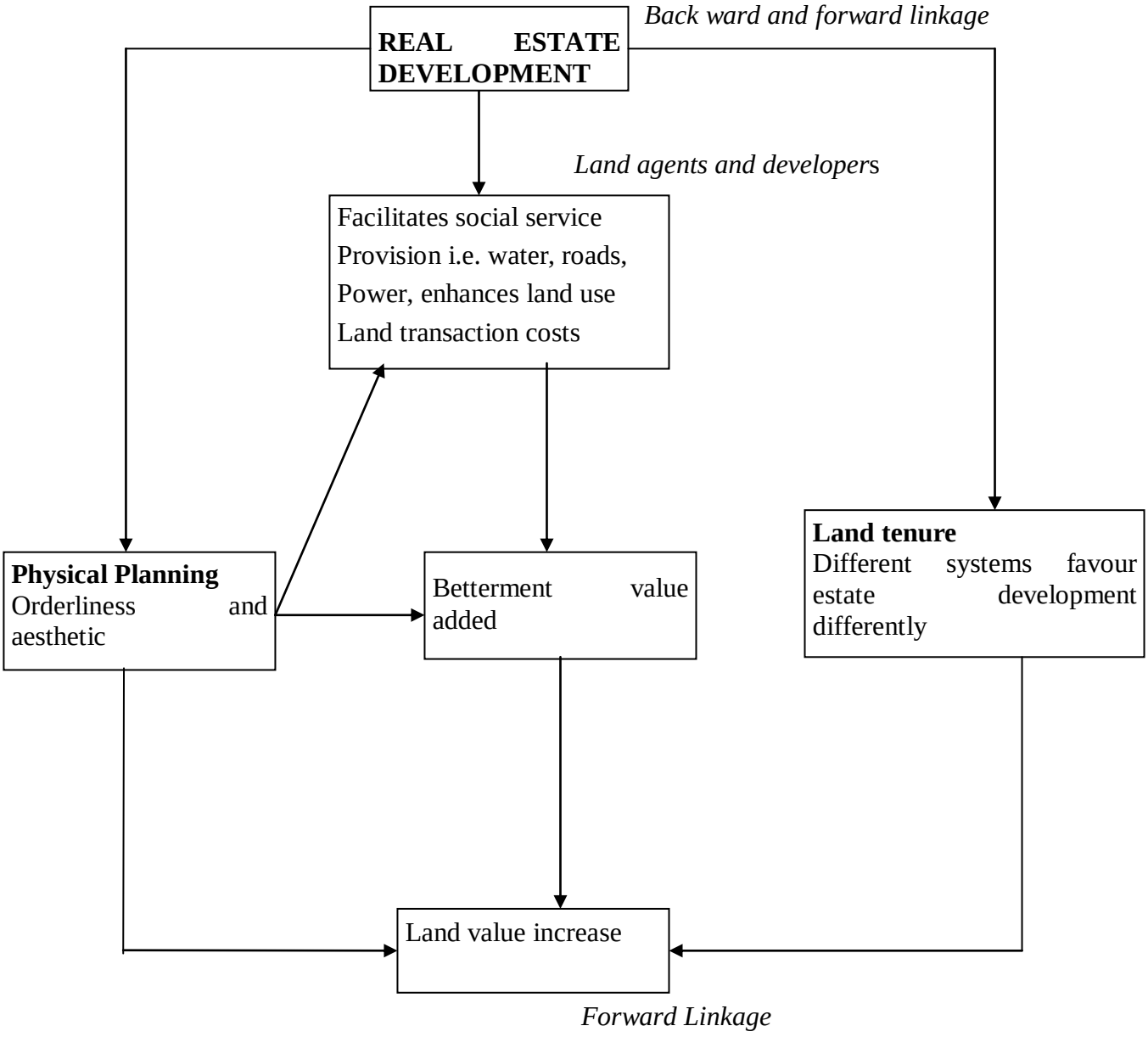
2.3 Conceptual Framework

This study was conceptualised against the impact of Real Estate Development on land value dynamics in the peri-urban areas of Kampala. Real Estate Development is a new concept in Uganda, and this is mainly carried out by private developers and the National Housing construction company on part of the government. In this case, these different organizations (public led and private) buy off big chunks of land, which is later subdivided to provide serviced plots and even already constructed houses, which are sold to the public.

These housing estates are serviced with all the necessary social services that may be required in any neighbourhood which include, water, roads, electricity, some green spaces for aesthetic values and well demarcated and surveyed plots and boundaries. The provided social services enhance the value of the existing land through a betterment value to access all the provided services, hence increasing the cost of land as well as its value.

In Uganda there are four major forms of land tenure systems, which include, Customary, freehold, mailo and leasehold tenure systems and all have different conditions of acquisition, utilization and ownership. Therefore these different conditions influence Real Estate Development differently and also impact on the land values. In general terms Real Estate Development together with the land tenure systems influences the land values. This hypothesized relationship is illustrated in figure 2.1 below:

Figure 2.1: A conceptual model showing the impact of Real Estate Development on land value dynamics in the peri urban areas of Kampala



CHAPTER THREE

BACKGROUND INFORMATION TO THE STUDY AREA

3.0 Introduction

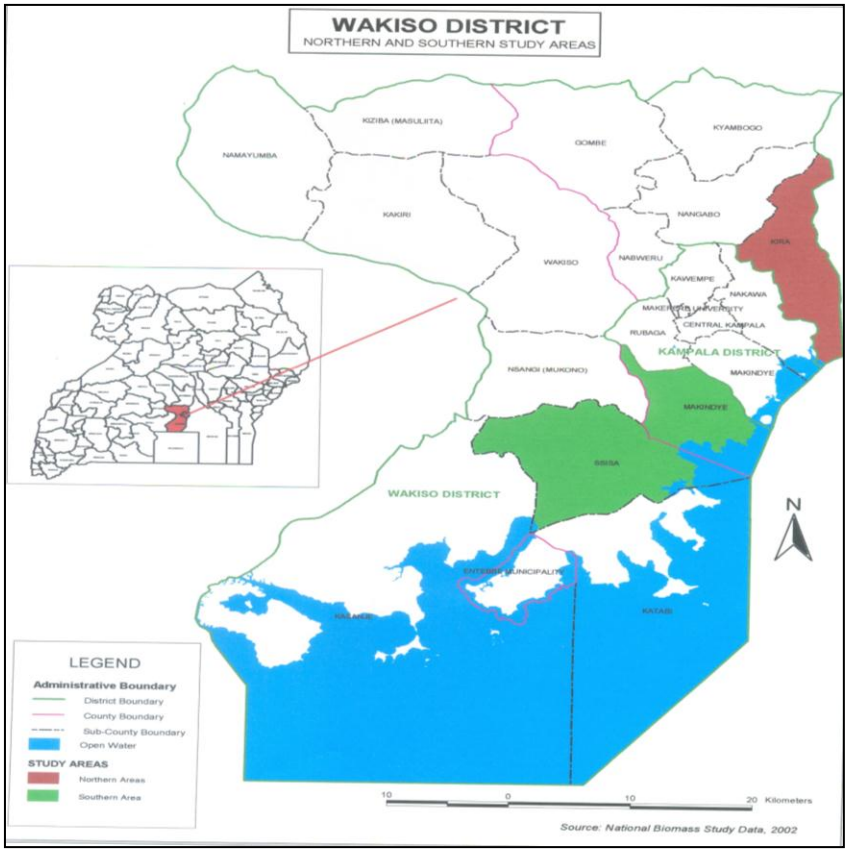
This chapter presents the background information of the study. This includes the location in Wakiso and greater Kampala, relief, vegetation, land use cover, drainage and socio-economic characteristics.

3.1 Physical Characteristics

Location

The study area is located within Wakiso district, which lies in the Central region of Uganda. Wakiso forms a crescent-like boundary that almost surrounds Kampala City. The District covers approximately 2,704.55 square kilometres. The northern part of the study area is located in the Kira Town Council (Urban council) of Wakiso District and the southern part lies within Makindye and Sissa sub counties as shown in Map 3.1.

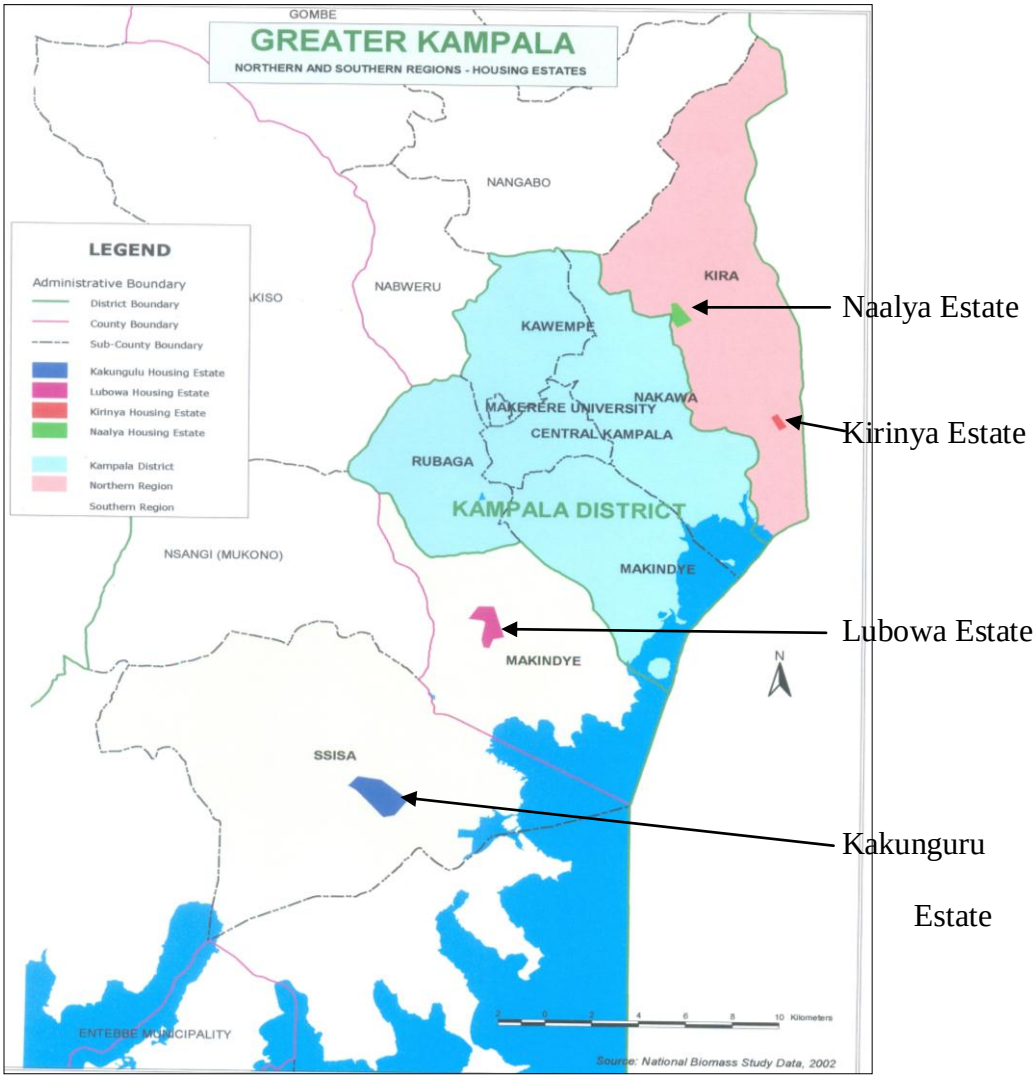
Map 3.1: Location of the study sites in Wakiso district



Source: National Biomass Study: 2002

The study covered two Estates of Lubowa and Kakungulu located in the southern part of Wakiso District and two Estates of Nalya and Kirinya located in Northern part Wakiso District as shown in Map 3.2.

Map 3.2: Location of the housing estates in the study area



Source: National Biomass Study: 2002

Kirinya and Kakunguru Housing Estates are located in Kira Town Council in the North and Ssisa Sub County in the South respectively located on mailo land tenureship, and are privately owned housing estates by Arkright Projects Ltd, a private real estate developer.

Naalya and Lubowa Housing Estates on the other hand are located in Kira Town Council in the North and Makindye Sub County to the South are owned by National Housing and Construction Company, which is a Public company, with 50% shares owned by Uganda

Government and 50% by Libyan Government. Naalya housing estate is located on mailo land and Lubowa on the other hand on public land in form of freehold.

The availability of big acreage of land in these areas is one of the major factors that influenced the location of these estates in those particular areas.

Relief

The general landscape of the study area is that of Buganda catenary classification. The District stands at an approximate altitude of about 900 to 1340 meters above sea level. The area is characterized by isolated flat-topped hills with steep slopes especially in the northern part, often merging abruptly into long and gentle pediments, which are usually dissected by relatively broad valleys.

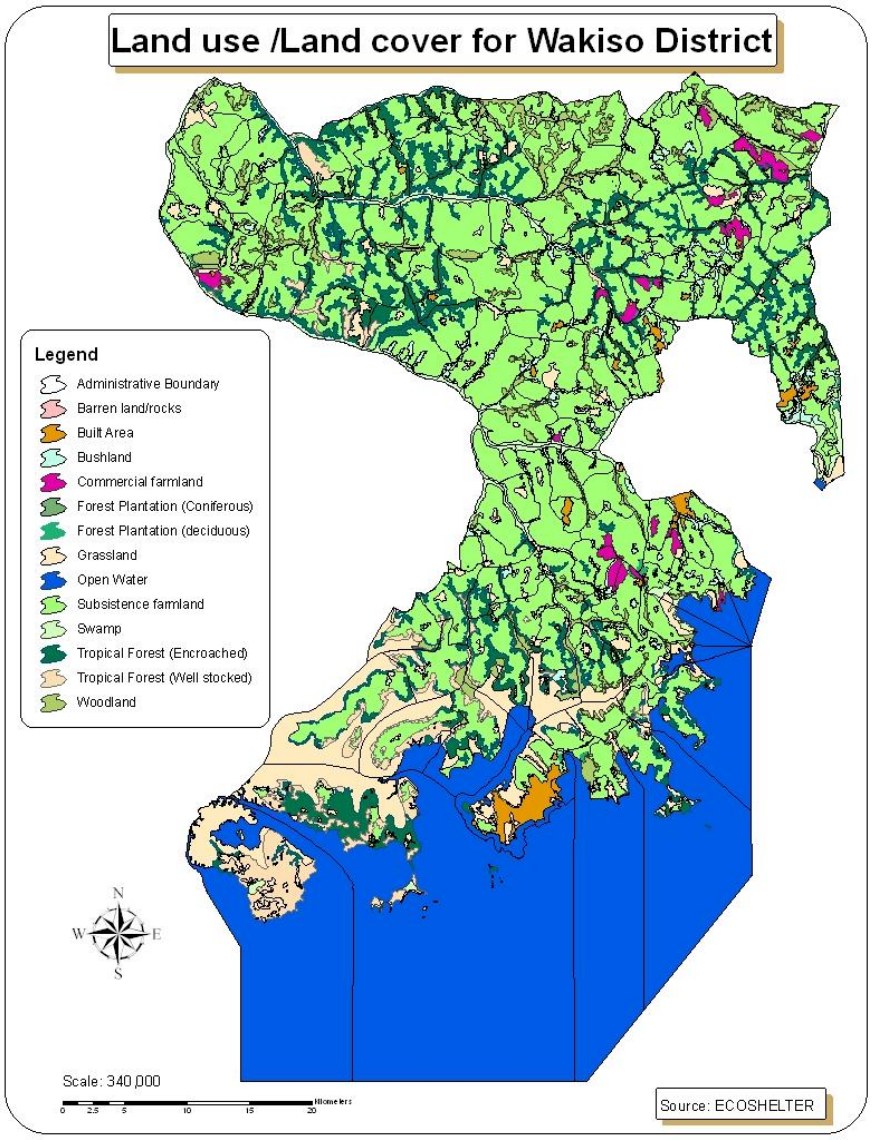
Wakiso District has many hills and therefore many of these hills have been consumed by the mushrooming estate development activities taking place within the District. Construction on these hilltops in the long run will cause major drainage problems due to the increased run off from the built up environment hence control is required.

Vegetation and green cover

The vegetation cover of Wakiso district is very varied ranging from medium altitude evergreen forest, through medium altitude moist semi-deciduous forests, savannas, and swamps. Wakiso has over nineteen (19) government forest reserves totalling to about 6,773 ha. However, most of these forests have experienced illegal activities such as charcoal burning, encroachment of the built up environment especially the on going estates establishments, which are taking, place within the district. The pressure on the forest reserves is due to high population density around the forests that invade them in search of livelihood. There is a lot of brick making activities within the District especially

in the low laying areas (wetlands) due to the increase in demand for the construction materials. This has therefore greatly impacted on the vegetation cover in the study area.

Map 3.3: Land use and vegetation cover in Wakiso District



Source: Technical paper for declaring Wakiso District a planning area by ECOSHELTER (2007)

Land use cover

About 50% of the land cover in Wakiso is under subsistence agriculture. Other land uses include; tropical forests, wetlands, grasslands and built up areas (Map 3.3). Much of the land under subsistence farming is subjected to invasion-succession.

A lot of agricultural land is changed to built- up areas and forestland and wetlands changing into agriculture- residential use and small-scale industries hence reducing the land available for cultivation.

Over time in a period of about six (7) years since 2000, the land use has been changing from the agriculture land use to built- up environment. By the year 2000, agriculture, and plantation cover was standing at 75% of total areas coverage, however, its currently standing at 50%.

This calls for serious intervention in form of land use planning to control and regulate the uncoordinated invasion-succession. The district has a big potential for large water body in the southern and south-western parts of the district. This is seen in terms of marine and marine products.

Drainage

Wakiso District is generally endowed with adequate surface and sub-surface water reserves with numerous streams, rivers and wetlands both permanent and seasonal. Minor valleys have distinct seasonal swamps and rivers, which contain water especially during the wet season. The water table along these swamps is quite high and are suitable for sinking shallow wells. Sub-surface water reserves occur in fissures and aquifers of the rocks. This is indicated by the number of boreholes, spring wells, tube wells and shallow wells, which have been drilled to harvest water for domestic supply.

Most of the permanent wetlands are found in the southern parts of the District along the shores of Lake Victoria. Wetlands have been reclaimed and put under intensive cultivation, excavation and construction activities, all of which exhibiting cases of environmental degradation. Most of the wetlands have been invaded with brick making;

encroachment by construction of housing developments and the construction on the hills has also forced many poor people to settle in these wetlands.

3.2 Social Economic characteristics of the study areas

Agriculture

Subsistence farming is the main source of livelihood for the rural areas of Wakiso. In the urban areas, backyard farming is practiced to supplement incomes. Crops grown include coffee, cassava, banana vegetables and tomatoes. However, crop production has been affected by declining soil fertility**,** the invasion of the agricultural land over construction and demand for land for construction.

Economic Activities

Construction related Economic activities within Wakiso district were categorised into two broad groups. The first group activities are those that directly relate to construction and therefore have a direct impact on estates development and include, land trade agencies, small-scale trade in hardware, masonry skills, brick making, sand mining, stone quarrying, artisan works, track hire for transporting building materials among others.

The second group of economic activities which indirectly impact estates development within the district include boda-boda and special hire for transporting workers, rural agriculture for providing foodstuff to building workers to mention but a few.

From the above analysis, it is clear that most economic activities within the district are related to building construction in general, hence giving a boost to construction industry and directly impacting on the estates development.

Land tenure system

All the four tenure systems provided for in the Constitution are present in Wakiso, district.

- Mailo land, which was introduced by the 1900 Buganda agreement, is the most dominant tenure system in the District.
- There is also some pockets of freehold land, held by among others religious bodies and Institutions.
- Customary tenure is the oldest system in the district occupied by majority of the people. This is common in the rural areas of the district. (Kabaka's land)
- Leasehold tenure system, which is common in the southern parts of the District in Entebbe.

The various tenure systems make planning and decision-making difficult especially when it comes to coordination of decisions and investments.

Population and demographic trends

From the 2002 Population and Housing Census, Wakiso District had a population of 907, 988 people with a growth rate of 4.1% compared to 562,209 people and a growth rate of 3.7% in 1991, representing about 38% increase. This is a very high growth rate compared to the national growth rate of 3.4%. Wakiso is the third most populated district in the country after Mbarara and Kampala. The District has a population density of 545 persons per square kilometer with Makindye having the highest population (136,322), Kira Town Council (124,067) while Wakiso Town Council (14,603) is sparsely populated. At a growth rate of 4.1%, currently Wakiso has a population of 1,066,309 people. The population by Sub County is presented in Table 3.1.

Table 3.1: Population by Sub-county in the study area

SUB-COUNTY	Household	Male	Female	Total	Pop 2006
KIRA TC	29,640	59,158	64,909	124,067	145,700
MAKINDYE	32,786	65,031	71,291	136,322	160,092
SSISA	11,591	22,660	22,964	45,624	35,379
District Total				**306,013**	**342,171**

Source: Population and Housing Census by UBOS (2002)

CHAPTER FOUR

RESEARCH METHODOLOGY

4.0 Introduction

In this chapter, the methodology used in carrying out this study is presented. This includes research design, area of study, sampling design, research instruments, procedure, data management/analysis and presentation. It also looks at problems faced during the study.

4.1 Research Design

The study was based on a cross sectional survey design using both qualitative and quantitative methodologies of data collection was conducted. The cross sectional survey was selected because the study involved studying selected areas with different land tenure systems, as well as selected Real Estate Developments in different parts of Wakiso District.

4.2 Sample population

The target population of the study included 105 individual developers, 15 technical staff of Arkright and NHCC real estate developers and local leaders. In addition, technical officers from Ministry of Water, Lands and Environment, land officers, Urban planning officers from the District of Wakiso, Makindye Sub County and Sissa Sub County and Kira town council also participated in the study.

4.3 Sample selection

The research obtained information from different stakeholders that were directly involved or affected by Real Estate Development. At the Administration and Management level, information was obtained from the Ministries like the Ministry of Water, Lands and

Environment (Physical planning department and the Lands department), Wakiso District, Kampala City Council, Makindye Sub County and Sissa Sub County and the local political leaders, National Housing Corporation, which is in charge of Naalya and Lubowa Housing Estates, Arkright Management which is responsible for both Kakungulu and Kirinya Housing Estates which are privately managed as well as small private developers in the area.

During the study, information was also obtained from the technical persons in charge of planning and land administration from the above-mentioned authorities. Furthermore, the information was gathered from the households within and around selected housing estates of Naalya, Kirinya, Lubowa and Kakungulu, Political leaders, L.C.I Chairpersons, landlords and land agents.

4.4 Sampling techniques

The research used various sampling methods in order to establish the sample size. A purposive sampling method was used to select key informants while systematic random sampling was used in selection of respondents for general interviews. The key informants included technical officers from Ministry of Water, Lands and Environment, land officers, Urban planning officers from the District of Wakiso, Makindye Sub County and Sissa Sub County and Kira town council, officials from Arkright and NHCC real estate developers, individual developers, local leaders and community members among others. A systematic random sampling technique was used to select respondents at household level in and around Naalya, Kirinya, Lubowa and Kakungulu Housing Estates.

4.5 Sample size

Given the fact that new people come into the estates, the L.C.I registers were used to get the actual number of households resident in the housing estates. Using Krejcie and Morgan (1970)'s Table of Sample Size Determination, a representative sample of 83 land developers was selected systematically from 105 households/land developers from within and around housing estates. In all, a total of 83 respondents participated in the general interviews (Table 4.1). The second category of respondents consisted of the key informants who participated in in-depth interviews. Purposive sampling was also used in selecting the key informants who were interviewed by virtue of the role they play in the delivery of land and housing in the area of study.

Table 4.1: Distribution of respondents by housing estate

Name of housing estate	Frequency	Percent
Naalya	27	32.5
Kirinya	20	24.1
Lubowa	19	22.9
Kakunguru	17	20.5
Total	**83**	**100.0**

4.6 Methods of data collection

Both primary and secondary data were collected. Primary data was collected directly using the questionnaire, observation and interview guides.

- **Administered General interview**

Interviews were administered to respondents at household level in the study area using a set of questions (see appendix A). The questionnaires comprised of both closed and open-ended questions. Questionnaires were used because they helped in producing data which

dealt with the topic in depth and detail (Amin, 2005). These questions captured issues such as; the extent to which Real Estate Development influence land values, social service delivery, as well as whether estate development in the area conforms to physical planning guidelines.

- **In-depth Interviews**

In depth interviews were conducted using an Interview guide (See appendix B). These were administered to different key informants who included officials from the Ministry of Water, Lands and Environment (Physical planning department and the Lands department), Wakiso District land and survey department, Kampala city Council, Makindye Division and Sissa Sub County and the local political leaders, officials from National Housing Corporation and Arkright. In-depth interviews were used because they facilitated face to face verbal responses which helped to obtain reliable and valid information behind participants' experiences (Amin, 2005; Katebire, 2007). This was intended to validate the information gathered from community members and more important, these were people who had better understanding of the issues that relate to Real Estate Development.

- **Observation**

Direct observation was done in the area of study using a checklist focused on; the nature of houses provided by the estate developers and the types of social facilities available in the area. This method helped to examine what was happening in real-life situation, classify and record pertinent happenings related to the study (Creswell, 2003). Besides, some phenomena like drainage, garbage collection facilities, water and electricity supply required the researcher's observation in order to explain their interrelationship Real Estate development. During observation, ground photographs were taken depicting the nature of

the houses and the state of infrastructure in the area. These are important because of their ability to give a permanent record for future reference and as evidence for research.

- **Documentary review**

The main sources of secondary data included the following: Internet surfing, magazines, newspapers, reports and publications, public records and statistics. For orientation in the field, existing data sets like topographic maps, census reports and textbooks were consulted. From these sources, location of the study area, population characteristics and existing literature related to land dynamics was obtained.

4.7 Data analysis

The data collected was analysed using computer programme of Statistical Package for Social Scientists (SPSS). Frequencies and percentages for different levels of variables like; sex, age, economic activities, types of social services in the area were generated. The descriptive approach was used for qualitative forms of data. Data analysed was presented using tables and other appropriate statistical diagrams as well as photographs.

4.8 Problems encountered

Given the fact that there was little or no research done in this field, there was therefore lack of adequate literature concerning the Real Estate Developments and land values and consequently land delivery at National Level. However, the researcher depended a lot on surveyed data (primary data) as well as international data for comparison purposes.

A lot of research has been done but not followed up or the resolutions/ recommendations are not implemented. This has therefore annoyed many would be respondents who denied information or deliberately chose to tell lies thus leading to poor statistical data and poor

conclusions. However, the researcher used the analysis tools to identify some fake data and undertake the sensitisation of the respondents before the actual exercise begun.

The weather conditions were not favourable to the researcher. However, the weather conditions were handled by using the available good weather effectively. On the other hand, other equipments like umbrellas, raincoats and gumboots were used.

CHAPTER FIVE

RESEARCH FINDINGS, ANALYSIS AND DISCUSSION

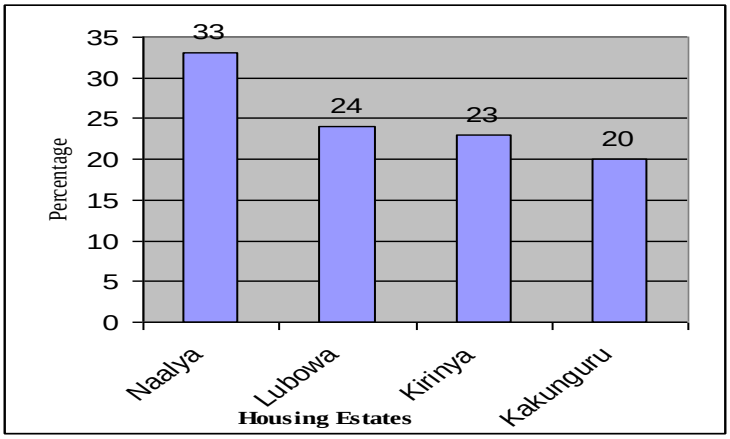
5.0 Introduction

This chapter presents the research findings, analysis and discussion. Data related to the extent to which Real Estate Development influence land values, the land tenure system that attracts more Real Estate Development, whether Real Estate Development conforms to the physical planning guidelines and, how Real Estate Development has facilitated the distribution of social services in the study area were collected. It is presented and analysed in this chapter. However, background characteristics of the respondents are presented first, to give the social-economic background of the respondents.

5.1 Background Characteristics of respondents

Information about background characteristics of the respondents is presented in this section. These characteristics include; distribution of respondents in estates, occupation, gender, age, education level and marital status. Figure 5.1 presents percentage distribution of respondents according to estate of residence.

Figure 5.1: The distribution of respondents by Estate of Residence



From figure 5.1, it was observed that majority (33%) of the respondents interviewed lived in Naalya Estate because of its long period of existence compared to other estates. Another 24% were residents of Kirinya while 23% were from Lubowa Estate. Only 20% of the respondents were from Kakungulu Estate because it is only four years in existence.

Table 5.1: Occupation status of Respondents

Occupation	**Frequency**	**Percent**
Civil Servants	12	14.5
Business people	52	62.7
Student	14	16.9
Unemployed	1	1.2
Others	4	4.8
Total	**83**	**100**

Form table 5.1, above it is revealed that majority of the respondents (62.7%) were business people, students constituted 16.9%, 14.5% were civil servants, 1.2% were unemployed, while 4.8% had unspecified employment descriptions. This implies that people in different professions and occupations lived in the housing estates but majority of the people who

lived there being business people was due to the influence of the nearby trading centres like Ntinda where most of the people may be engaged in commercial activities.

Table 5.2: Age Distribution of Respondents

Age Distribution in years	**Percent**
Below 20 years	4.8
20-30 years	34.9
31-40 years	47
41-50 years	10.8
Above 50 years	2.4
Total	**100**

Regarding the distribution of respondents by age, it can be observed from table 5.2 that majority of the respondents (47.0%) were aged 31- 40 years, 34.9% were aged 20-30 years while 4.8% were below 20 years. A further 10.8% of the respondents were aged 41-50 years while only 2.4% were aged above 50 years. This implies that the housing estates mainly attracted the middle-aged population between 20 to 40 years.

Table 5.3: Educational level and Marital status of Respondents

Educational level	**Percentage**	**Marital status**	**Percentage**
Diploma/certificate	49.4	Single	38.6
Degree	31.3	Married	51.8
Masters degree	12	Divorced/separated	7.2
Others	6	Others	2.4
Missing System	1.2		
Total	**100**	**Total**	**100**

Table 5.3 shows that 49.4% of the respondents were diploma/certificate holders, 31.3% degree holders, 12.0% masters degree holders and 6.0% other qualifications not specified. Nevertheless, majority of the respondents in the estates had academic qualifications above certificate level and thus may have had a sense of living in an organised and orderly environment.

5.2 Influence of Real Estate Development on Land Values

One of the objectives of the study was to "establish the extent to which Real Estate Development has influenced land values in the study area". During the study, respondents were asked whether they thought Real Estate Development had influenced land values in their respective areas. It was revealed that 98% of the respondents agreed that Real Estate Development had influenced land values in the area, which was expressed in terms of increase in the cost of land per plot and the accessibility to services, which are being extended or provided by the estates developers.

Only 2% of the respondents disagreed with the statement that Real Estate Development had influenced land values. This therefore shows that to a large extent (98%) Real Estate Development had influenced land values by providing services, which facilitate development, improved aesthetic value of the area due to the orderliness of the estates among other things.

The study further investigated the cost of land (plot) before the establishment of these estates and even after the establishment of these estates in the study areas to ascertain to which degree the estates have influenced the land values within the estates themselves and the neighbouring areas. The study focused on the cost of a 11.5 decimal plot (50ft x 100ft)

which is the minimum plot for development, which also the low income earner is expected to develop when constructing a residential house.

Table 5.4. Table showing the price of land before and after the establishment of the Estates

Name of Estate and year of establishment.	Price of Plot (Ushs) of 60x120ft		Percentage Price Increase
	before	currently	
Kirinya (1999)	1,500,000	18,000,000	1,100
Naalya (1995)	500,000	25,000,000	4,900
Lubowa (2000)	1,500,000	20,000,000	1,233.33
Kakungulu (2001)	1,000,000	14,000,000	1,300

Further investigation of whether Real Estate Development had influenced land values in and around housing estates was done through cross-tabulation of housing estates and respondents' views regarding its effect on the land values. The research findings are shown in the table below:

Table 5.5: Respondents Perception of Estates development on land values

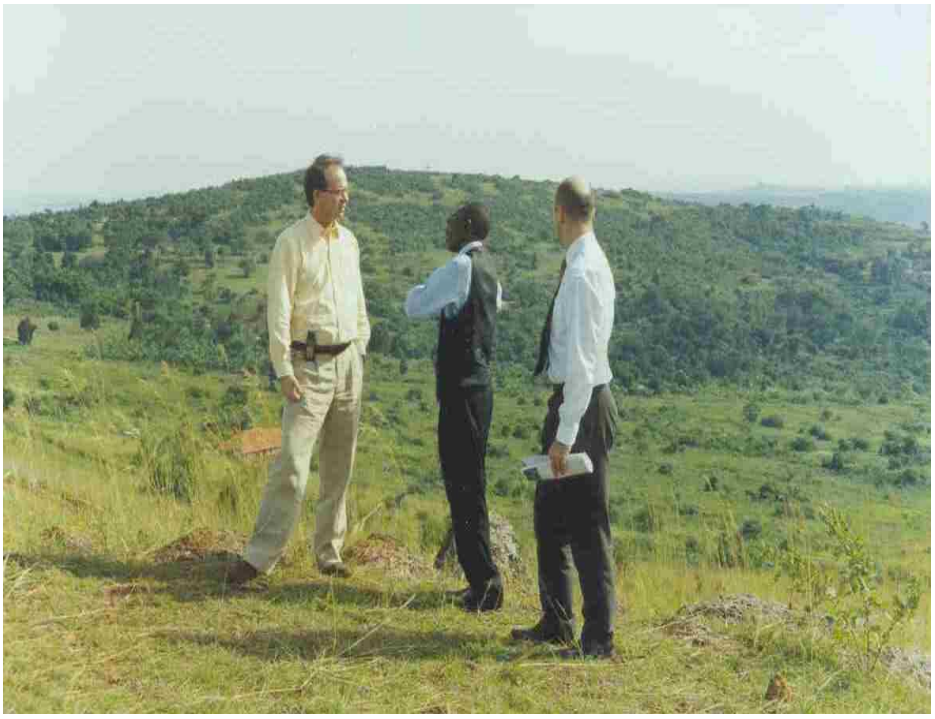
Name of Estate	Yes, land value increases (%)	No, Land value doesn't change (%)
Kirinya	24	0
Naalya	31.2	2.4
Lubowa	22.9	0
Kakungulu	20.5	0
	97.60%	**2.40%**

From table 5.5, it can be observed that all respondents from four housing estates agreed that the construction of a housing estate in their areas had an effect on the land value. In all, 97.6% of the respondents agreed that land values had been affected by the housing estate. According to the Kirinya Estate Local Council I, estate development in the area had increased land value. In his words, he said:

> *"...before the construction of this housing estate, a plot of land used to cost about 3 million. But today, it is even difficult to locate a plot of land for sale. A plot of land now-days goes for over 10 million shillings in and around the estate. This is because many roads were opened up and those that existed were improved upon, this area has been connected to piped water, electricity grid has been extended to areas within and around the housing estate.*

This implies that land value in and around housing estates had increased due to high demand for serviced land. The findings agree with International Housing Coalition (2007) that land prices in Kampala have been escalating steadily over the past six years and are anywhere from two to four times what they were in 2002 in most areas of the city and the surrounding suburbs. Besides the growing shortage of buildable land, one of the major reasons cited by most experts for the price escalation is that there is a great deal of land speculation in the marketplace. Investment opportunities for Ugandans who have benefited from the steady economic growth of the past decade are limited. The stock market is tiny, products offered by insurance companies are limited and bank deposits do not provide high yields.

Plate 1. Kakungulu area before establishment of the Estate (July, 2001)



The above illustration represents Kakungulu area before the establishment of the estate. At that point, the Managing Director, Arkright projects Ltd, Mr Anatoli Kamugisha was moving around the area with his partners. The above illustration clearly shows a natural vegetation cover without any disturbance to the natural eco-system prior to estate establishment. In Comparison, plate 2 is after the natural vegetation had been cleared completely destroying the natural eco-system.

Plate 2: Kakungulu Estate in its infancy stage; infrastructure development (July, 2001)

Plate 2, shows the development of Kakungulu Housing Estate in its infancy stages, where accessibility roads within and around the estate are being opened up to facilitate the construction. Arkright itself constructed the first housing units to boost the market for houses in the area.

Plate 3: Kakungulu Estate with constructed houses (2007)

Plate 4: Kakungulu Estate (2007)

The above plates are a representation of the current status of Kakungulu Housing Estate. A number of houses have been constructed and social services like roads, water and electricity as indicated by electric poles have been put in place.

Plate 3 shows Rendezvous village with low rise structures and plate 4 on the other hand shows Professional villages with high rise structures. The separating of the different housing heights is one of the development and zoning measures being taken into consideration to ensure orderliness and to improve on the aesthetic value hence influencing the value of land.

Plate 5 illustrates the historical background of Kirinya village before the establishment of Kirinya housing Estate by Arkright Projects Limited, in 1999. It was a bushy area with numerous witchdoctors as evidenced by the shrine in the picture. However with the establishment of the estate, it changed the face of the area when all the necessary facilities for development had been put in place as it is shown in Plate 6.

Plate 5: Kirinya area before the establishment of Kirinya housing Estate (1999)

Plate 6: Typical completed section of of Kirinya housing Estate (2005)

From the plate above, it can be observed that numerous houses especially the high and middle-income class houses have been constructed, social services like water, roads electricity among others have been provided within and around the Estate.

Plate 7: Aerial view of Kirinya Housing Estate (2005)

This is an aerial photograph for Kirinya housing Estate indicating the layout of the road network, the layout of houses with a back-to-back design system, the distribution of electricity poles and the drainage network along the roadside. This level of organisation in the estate has highly influenced the value of land in the area.

Table 5.6: Real Estate Development and its Influence on Land Values

Response	**Percent**
Well organized buildings and permanent ones	13.3
Expansion of existing developments	7.2
Increase in the price of land and cost of living	45.8
The value of land has increased	2.4
Extension of facilities like power, water, roads	25.3
Attraction of high population in and around the estate	3.6
Non response	*2.4*
Total	**100**

From Table 5.6, it has been observed that 45.8% of the respondents reported that Real Estate Development had influence on land values by increasing the price of land , 25.3% reported that it had led to extension of facilities like water, power and roads. The issue of water supply was supported by information generated from an interview with the chairperson of local council 1 in Kakungulu housing Estate who revealed that:

> *"..before the establishment of this Estate, water for domestic use used to be a problem with one borehole in the area. But with the establishment of the Estate, water supply was extended to this area both within the Estate as well as its surroundings. Consequently, over 70 households in this area use tap water in addition to one borehole that used to serve them"*

This implies that land values had to increase as a result of availability of such services like water supply. A further 13.3% reported that well organized and permanent buildings had

been built thus increasing the beauty of the area and consequently raising the value of land, 7.2% said that there has been more development as a result of real estate. Furthermore, (3.6%) reported that there was attraction of high population in and around the estate, which had increased the value of land in the area.

Another factor revealed by the study in explaining the variations of property values was distance from the Central Business District (CBD). During the study, it was revealed that estates were located at a shorter the distance from the CBD, and hence the higher the land values. During a discussion with one Ministry of Lands staff, it was revealed that:

> *land has become one of the primary targets for investors. Investors have realized that they can reap a tidy profit simply by buying land, holding it for a few years and selling it again. They do not have to develop it at all to earn a very high return.*

As this phenomenon has accelerated in many parts of the city, it puts increasing pressure on land that is available, further increasing its cost while not adding appreciably to the housing stock of the city. Uganda has no tax policies that penalize owners who do not develop land but prefer to hold it until the price has risen sufficiently for them to sell profitably. However, a section of the draft land policy includes a proposal to tax "idle" and "unproductive" land in urban and rural areas appears to have some support.

This observation is in line with that of by Cadman and Austin (1991), Smith (1993) and Archer (1996) who noted that land values can be determined by site characteristics, such as physical infrastructure and the socio-economic attributes of the neighbourhood, distance to the main amenities such as, schools and parks, local changes in population and housing units , ethnic mix as well as planning policies such as land use zoning. Furthermore, the usage of the property, in terms of its title and deeds, function, layout and design,

construction quality among others, all contribute to the value of land as revealed in this study.

Table 5.7: Social Services accessibility prior to Estates establishment

Social amenities	Naalya Estate	Kirinya Estate	Lubowa Estate	Kakungulu Estate
Access to Piped water	20	8	35	0
Access to Boreholes & protected springs Water	30	50	20	45
Accessibility of roads	40	20	30	10
Acess to Electricity/ Power	60	48	56	4
Acess to Schools	50	52	38	15
Acess to Health facilities	35	20	20	5

Table 5.8: Community access to social facilities after the establishment of the Estates

Social amenities	Naalya Estate	Kirinya Estate	Lubowa Estate	Kakungulu Estate
Access to Piped water	100	70	86	48
Access to Boreholes & protected springs Water	10	40	15	35
Accessibility of roads	85	75	95	70
Acess to Electricity/ Power	90	85	98	52
Acess to Schools	86	79	79	67
Acess to Health facilities	68	68	80	30

From the tables 5.7 and 5.8 above, it was observed that there was a great improvement in terms of accessibility to the social facilities like water, electricity, schools, health facilities and many others. This was attributed to the fact that as the facilities were extended further in the area, the population increased by settling in these estates and hence more demand for land to accommodated the increasing population.

From table 5.7 and 5.8, it is evident that Kakungulu was one of the poorly serviced areas but after the establishment of the estate, all the facilities have improved from 10% to 70%, many roads have been opened and there is also improvement in the connectivity to the existing and major roads within the estate and around the estate. A number of permanent structures have been built, and those that existed have been improved on to match the existing standards.

Map 5.1: A three dimensional view of Kakungulu housing estate under Arkrights projects. (Integrated development/ master plan/ layout)

This is a three dimensional view of Kakungulu housing Estate. It gives a pictorial view of how the estate will look like at its completion after installing all the facilities including,

the road networks, the environmental conservation areas, the shopping malls as indicated in plate 5.2 below and other recreational facilities.

Figure 5.2: A three dimensional view of the proposed Kakungulu commercial centre

5.3 Land Tenure and Real Estate Development

Another objective of the study was to "establish which land tenure system attracts more Real Estate Development". According to the Land Act (1998), four land tenure systems are recognized: customary, free hold, mailo and leasehold. During the study, respondents were asked to name the land tenure system dominant in and around the housing estates. The results of the study are shown in the table below:

Table 5.9: Land tenure system dominant in and around housing estates studied

Land tenure system	Percent
Mailo land	92.8
Lease hold	4.8
System	2.4
Total	**100**

It is indicated that the majority of the respondents (92.8%) in the housing estates were on mailo land while only 4.8% were on leasehold. Mailo land tenure means the holding of registered land in perpetuity and having roots in the allotment of land pursuant to the 1900 Uganda agreement and subject to statutory qualifications. This is owned by private individuals and is managed under the Buganda Land Board. This form of tenure derives its legality from the constitution and permits the separation of ownership of land from the ownership of developments on land made by a lawful or bona fide occupant. Leasehold tenure on the other hand, means the holding of land for a given period from a specified date of commencement, on such terms and conditions as may be agreed upon by the lesser and the lessee. This implies that Real Estate Development is favoured by mailo land due to the freedom of ownership it guarantees the owner mainly in form of possession of a land title. The findings partly agree with the Ministry of lands, Housing and Urban Development (2008) which noted that more than 52 percent of the land in Kampala is held under *mailo* tenure, about 30 percent is public land administered by the KCC and leased to private interests, about eight percent is owned by the government for its use, and about seven percent is freehold and owned by institutions. In the Kampala suburbs, even higher percentages are held under *mailo* tenure.

Further information regarding the land tenure system that attracts more Real Estate Development was generated through interviews with the NHCC and Akright officials. Information from NHCC revealed that both Naalya and Lubowa Estates were located on mailo land while information from Arkright also indicated that both Kirinya and Kakungulu Estates were on mailo land. A discussion with the Physical Planner for Arkright projects also agreed with the view that mailo land was the most favoured land tenure system for Real Estate Development. In his words, he said:

> *"....mailo land favours Real Estate Development because most of the people who buy our plots of land are interested in land where they are assured of complete ownership. When someone completes payment, he has to be given a land title but not a memorandum of understanding which may not guarantee him security of tenure"*

Furthermore, most of these estates are on mailo land because, leasehold tenureship is conditioned and one has to own that land for a certain period of time, his lease may be renewed, sometimes it may not be renewed, therefore the security of ownership under a leasehold is not guaranteed as is the case for mailo land.

Another issue raised was the annual premium charges that have to be paid to the Buganda Kingdom also makes the cost of land under the leasehold tenure very expensive and un reliable. This was evidenced by citing of a new estate at Nansana which has both the mailo land the leasehold land under Arkright projects, it was established that plots under the leasehold were not bought and those under mailo were being sold at a very faster rate because of its advantages it offers to the land owners. It is therefore implied that security of tenure under mailo land is one of the main reasons why it is preferred for Real Estate Development. This indicates that mailo land tenure system attracts more estate development than other forms of land tenure in peri urban areas.

In addition to the above, an Amendment to the Land Act in 2004 gave increased protection to bonafide tenants of *mailo* land, bonafide tenants being defined as tenants who had occupied the piece of land unchallenged for more than 12 years. Under the t law, before a *mailo* landowner can sell and/or develop land he owns, bonafide tenants who have settled on the land have to be properly compensated and resettled. Bonafide tenants on *mailo* land are also recognized as legal owners with rights to sell and develop land but in consultation with the *mailo* landowner. These bonafide tenants consider themselves the real owners of *mailo* land.

The study further revealed that there were problems faced by property developers in the process of purchasing land from mailo landowners. According to the Akright manager of Kirinya housing Estate:

> *"...purchase of mailo land for Real Estate Development has been criticized by local leaders that it deprives natives of the ability to retain their land. That instead houses in real estates are eventually purchased by other people. However, as estates developers mailo land is preferred since its is the only tenure where one can get a bigger acreage of land for estate development"*

The study also found that apart from the high cost of land purchase from the owners, private property developers also revealed that there was a problem of bureaucratic delays by the Ministry of Lands and Environment in the process of effecting land transfer from the original owner to the new owner.

It was also noted that initial capital for purchasing land under mailo tenure ship was much more expensive as compared to a leasehold tenure, the owners of land raise the price for land because they know that the demand for it is high on the market. Other reasons given

by respondents as why mailo land tenure is preferred for Real Estate Development are shown in table 5.10.

Table 5.10: Reasons why mailo land is preferred for Real Estate Development

Reason	**Percent**
Land owned individually and there is freedom	9.6
Good for development due to permanent settlement	27.7
Private ownership of land	27.7
Autonomy ownership of land	3.6
There is no government intervention	3.6
No limitation on development programs	2.4
Promoted people to buy more	9.6
Land tittles can easily be acquired	2.4
Non response	*13.3*
Total	**100**

From the table above, the majority of the respondents 27.7% reported that mailo land tenure system has favoured Real Estate Development due to the security of ownership of land it offers to the developers. This was followed by 9.6% who reported that Real Estate Development was favoured because land is owned individually and that there is freedom that encourages people to buy more.

5.4 Relationship between Real Estate Development and Physical Planning

The study also tried to establish the extent to which a Real Estate Development conforms to the physical planning guidelines". In the first case, respondents were asked whether housing developments in the estates had followed physical planning guidelines. Consequently, 78.3% of the respondents indicated that housing developments in the estates had been guided by physical planning guidelines specifically in terms of actual

building plan (Architectural drawings) approvals by the respective local authority. The table below shows responses.

Table 5.11: Estate Developments and Physical Planning

Response	Percent
Yes	78.3
No	7.2
Non response	14.5
Total	**100**

From the table above, it can be noted that 78.3% reported that physical planning guidelines were followed in the housing estates, due to the physical arrangement of the houses and the approval of building plans by the respective local authorities, while 7.2% were not of the same view as they viewed physical planning in a broader perspective of having approved land use zoning in the estate both structure plans and detailed plans, consideration of the drainage layout of the area among others.

Plate 8: Lubowa Estate with well designed drainage layout, tarmac roads and housing layout

In Naalya Estate (owned by National Housing and Construction Corporation), residents also revealed that both physical and architectural planning guidelines had been followed by the developers. The Estate manager displayed a sheet of paper showing the physical plan of the area. A further discussion with the Estate Manager revealed that:

> *"...there is an architectural committee that was set up by National Housing and Construction Corporation (NHCC) to carry out matters related to estate planning. But since most of the occupants found already completed housing units, this committee has not been very active in its advisory role on planning matters"*

Similar views were shared by the Arkright Projects Planner who said:

> *"...before the estate is advertised for sale, physical planning has to be completed, plots and other social amenities like swimming pools demarcated. Therefore, every housing estate has model plans for house construction to meet the demands of various categories of people intending to live there".*

This therefore prompted the researcher to find out how people in the different estates viewed the physical planning issues of these estates and therefore, further information regarding physical planning in housing estates is provided by a cross-tabulation shown in Table 5.12.

Table 5.12: Evidence that Physical Planning Guidelines were followed in Real Estate Development

Response	Percent
Approval of building plans prior to construction	10.8
Presence of access roads, power, water and other infrastructures facilities	34.9
Presence of planners	4.8
Magnificent buildings and numbering of plots	18.1
Presence of land sub division layout	2.4
Presence of master plans/land use zoning for the estate (Kakungulu Estate)	17.6
Non response	12
Total	**100**

From the above table, most of the respondents 34.9% reported that the presence and distribution of roads, power, water, proper drainage system, social and recreational facilities indicated that physical planning guidelines had been followed by estate developers. This however indicates the limited awareness about physical planning in the general community, because such services may be provided by the well to do individuals yet actually no planning was done.

It was only 17.6% respondents who viewed physical planning in terms of master plans or land use zoning plans being prepared and this was more common in Kakungulu housing Estate, where plan was prepared indicating the various land uses and housing classifications for the different housing densities or income levels specifying the building standards, heights and the minimum plot development coverage being highlighted to the clients before they commence construction.

A further 18.1% reported that this was indicated by numbering of plots, 10.8% viewed the evidence of physical planning through the approval of building plans by the respective local authorities prior to construction, this can be evidenced by the site layout/block plan for Lubowa Estate which was submitted for purposes building approval and it was considered as the master plan for the estate. Furthermore 4.8% of the respondents reported that the presence of planners in the companies (National Housing and Arkright Projects Limited) indicated that physical planning guidelines were followed and monitored by the planners.

It was however, noted that despite the presence of these planners in the different companies, their professional ethics are at time compromised since these are business oriented enterprises, which have to minimize the initial costs and maximize the profits, hence disregarding the essence and importance of the physical planning. The findings agree with the International Housing Coalition (2007) that although the local authorities like KCC has been able to enforce minimal planning standards on the formerly public land that it now leases out or has converted to freehold status, and although it does have a planning mandate for the entire city, in practice it has not exerted its authority over the large areas of *mailo* and freehold land owned by institutions such as the churches. This has led to chaotic, unplanned land development, the inefficient use of ever-scarcer land, the occupation of environmentally fragile areas and the formation of large, poorly-serviced slum areas. Many practitioners feel that much better use could be made of Kampala's land and that more housing could be provided with better planning and the enforcement of reasonable standards by the KCC and the district authorities in the surrounding suburbs.

The study also investigated whether physical planning done by estate developers had influenced land values in the area. The preceding responses were generated.

Table 5.13: Influence of Physical Planning on Land Values

Construction of a housing estate has an effect on the land values	**There is evidence that the housing estate followed the physical planning guidelines**		
	Yes	No	Total
Yes	88.70%	8.40%	97.20%
No	2.80%	0	2.80%
Total	**91.50%**	**8.40%**	**100**

From table 5.13 above, it has been indicated that 88.7% respondents were of the view that physical planning had an effect on land value, because it created orderliness in the estates well distribution of the different land use like recreational, open spaces, houses were well positioned according the plot numbers, access roads provided and drainage provided for. This therefore increased the value of land in the area and the neighbourhood. Physical planning means the systematic and coordinated allocation of land uses or land use patterns to achieve orderly and organized development; this therefore facilitates the provision of the necessary facilities which reduce on the cost of construction since services like, roads, drainage system and other facilities hence increasing the value of the land.

However only 2.8% respondents were of the view that the housing estates had no effect on land value but claimed that there is evidence to indicate that the housing estate followed the physical planning guidelines. This therefore indicated that 91.5% respondents agreed that Real Estate Development conformed to physical planning guidelines and had influenced land values in the area.

The Ministry of Lands, Housing and Urban Development is in the process of developing a new Physical Planning Law that will replace the old Town and Country Planning Act. The new law will declare the entire country a "planning area" to discourage unplanned developments from forming. However, it is the local authorities that are charged with enforcing the law and unfortunately many of these remain weak. The KCC has a very small planning staff and, as noted above, is subject to political suasion and corruption. Thus, the mere passage of a law will not solve the problems and until the city musters the political will to tackle urban planning seriously, its ability to guide the rational development of the city and to provide housing opportunities for the majority of its population for will remain hampered.

5.5 Real Estate Development and Distribution of Social Services

The final objective of the study was to identify how Real Estate Development has facilitated the distribution of social services in the study area. Under this objective, several variables were investigated. In the first case, respondents were asked to indicate the various social services that were being provided in the area before the establishment of the estates. The results of this query are shown in table 5.14.

Table 5.14: Social services provided in the area before the establishment of the housing estates

Facilities being provided before the estates and other problems	Percent
Essential facilities like schools, power lines, water were inadequate	21.7
Limited health facilities with long walking distances	12.8
Poor drainage system	10.2
Poor waste management systems both solid and liquid.	17.2
Poor roads (inadequate road network)	15.4
No planned communal facilities like open spaces, recreational, shopping centers etc.	10.0
Many poor and irregular shaped plots, small sized plots with no organization/ orderliness	5.3
Poor house and existence of many squatters	3.0
Security problems in the area	4.4
Total	**100.0**

From the table, it was noted that majority of the required social facilities were missing and those that were provided in some areas were also very inadequate, 21.7 % of the respondents from all the estates agreed that facilities like electricity or power lines were missing. The electricity poles were running along the major high ways in the different areas and the local people didn't have the capacity to extend the electricity to their own areas. There were problems of poor waste management systems in the area 17.2%, with no defined collection points, no proper sewerage disposal system to the extent that people were their waste water into roads, which also lacked proper drainage system.

A further 15.4% of the respondents from the study area reported that the road network was so poor with limited connectivity and accessibility in the area but now a number of roads

have been improved on, more roads have been opened up in and around the estates to improve on connectivity as indicated in the photograph below. Maintenance of the roads has also greatly improved in all the areas where these estates have been located.

Plate 9: Typical community access gravel road in Kakunguru Estate (2005)

Table 5.15: Social services provided in the area after the Estate establishment

Facilities being provided in the areas after the establishment of the estates.	**Percent**
Essential facilities like schools, power lines, water are highly accessible	25.2
Improved health facilities have been provided	12
Improved drainage system through construction of drainage channels	10.2
Improved waste management systems by use of private collectors.	11.5
Improved road network	15.6
Communal facilities like open spaces, recreational, shopping centers etc have been provided in the area.	9
Good neighborhood, orderliness in the layout of buildings (improved esthetic value of the area)	8.5
Improved security in the area.	8
Total	**100**

From the above table, majority of the respondents, 25.2% indicated that essential facilities like schools, water, and electricity had been provided and that their children were attaining education from schools in the local area. A number of water facilities were observed in the areas like piped water around the neighbourhood as well as boreholes (See plate below).

Plate 10: A borehole in Kirinya Housing Estate (2005)

This borehole in Kirinya Estate was being used by over 60 households in the estate as well as the surrounding community members. According to the area Local Council I chairperson, some community members used to get water from the housing estates during situations of water scarcity in the surroundings.

A further 15.6% reported that there was a greater improvement in the road network and roads were being maintained, 9.0% agreed that communal facilities like open spaces recreational facilities, shopping facilities had been provided and they are very accessible to all the people in the area, and also 8.5% supported the issue of beauty, aesthetic value

having been added the area, and that real estates provided security of lives and property 8.0% since police posts had been put in place.

Under waste management 11.5% of the respondents reported that there is improved waste management systems in place in all the estates, where households are being provided with garbage collection bag for waste disposal as indicated in the photograph below. The waste is being collected, transported and disposed off by a private waste collector and waste is collected at least twice a week.

Plate 11: Polythene bags containing solid wastes on the roadside ready for collection (2005)

An in-depth discussion with one official of NHCC revealed that previously, the area where Lubowa Estate is situated was a rural area with low population and therefore few and distant social services were provided. He however, noted that when the housing estate was constructed, it attracted medium and high income people and thus demands for social services developed.

These research findings are therefore in line with field observations conducted in and around the housing estates where observations were made. It was found out that in Kirinya Estate, several social facilities/services were being provided by the above mentioned stakeholders in addition to Akright projects; the real estate developer. These include: The grading of Bweyogerere – Kirinya road as well as regular maintenance of this road; a borehole for the community; taxi commuters between Bukasa and Kampala had been introduced as a result of the demand for the transport service by estate residents; there are at least three fuel refuelling points established in the area; new primary and post primary schools had been established while old ones had also been improved upon; numerous retail shops have sprung up in the area and, a health centre II in the area had been constructed.

When the question of availability of social services was put the project manager of Akright projects, he had this to say:

> *"...Arkright demarcated the area into plots and three model houses were erected. The people began buying the plots at very low prices while others resold their plots. What attracted many clients to purchase the plots therefore was the plan of the area which had prospects for access roads, water provision and power supply"*

From the foregoing evidence of social facilities in and around the housing estates, it is noted that many social services established were as a result of the high demand created by estate residents. Thus although, not all social services are readily available in the housing estates vicinity, at least they are available within the community and research findings indicate that arrangements were in place to have all services within the estates themselves. For example, an elderly local resident of Kakungulu village revealed that the Ministry of Internal Affairs had agreed to establish a police post in the area to improve on the security due to the influx of people of high calibre in the estate. This would help to improve the security situation in the area.

Table 5.16: Efficiency of social services/facilities in and around the housing estates

Response	Percent
Yes	63.9
No	36.1
Total	**100**

From the table 5.16, it can be noted that the majority of the respondents, up to 63.9%, were satisfied by the facilities provided as opposed to 36.1% who were unsatisfied. Respondents based their judgement on a number of factors as detailed in Tables 5.17 and 5.18.

Table 5.17: Reasons for provided services satisfaction by respondents

Response	Percent
Everybody has benefited (land has gained value)	36.1
Cost of water connections and electricity installation reduced.	28.3
General reduction in walking distance to schools and health facilities reduced	18.6
Transport was made easy	17
Total	**100**

Table 5.17 shows the reasons advanced by respondents for their satisfaction. Increase in land value was the most mentioned reason at 36.1% followed by reduction in the cost of water and electricity connection at 28.3%. This reduction in water and electricity connection costs is due to the fact that these both water and electricity grids have been extended to plot boundaries, which reduced on the overall construction cost.

Furthermore, general reduction in walking distance to schools and health facilities came in third as reason for satisfaction of respondents at 18.6%. This is because some facilities have been constructed within the estate and therefore closer to the people. Easy, affordable and available transport was also mentioned by respondent as reason for satisfaction with 17% occurrence. This is due to the constructed roads and increased population, which attract public transporters. However, the respondents who revealed that the social facilities were unsatisfactory in the area reported several reasons as presented in table 5.18.

Table 5.18: Reasons for provided services dissatisfaction by respondents

Response	**Percent**
Increased demand for the social facilities	12
There are cases of insecurity	1.2
Construction of the houses is over priced	3.6
People have got different tests and preferences	6
Non reason	77.1
Total	**100**

Table 5.18 shows reasons expressed by the respondents for their dissatisfaction. It can be noted 77.1% did not give a clear reason for their dissatisfaction casting doubt on their choice perception. Increased demand for the social facilities was the most prominent reasons for dissatisfaction at 12% and having different people with different tests was 6%. The demand for social services is due to the increasing population in the areas hence making the utilisation capacity much higher. Other reasons were insignificant as they were rarely mentioned.

In all, various social services are available in and around housing estates despite the fact that their supply is still less than the demand for them. But since Real Estate Development is still a relatively new event in Uganda, it is hoped that the provision of social services will continue to improve as more people construct houses and eventually settle in real estates. When the system of provision of social services is well functioning, land value will further increase in and around real estates in the peri-urban areas of Uganda.

CHAPTER SIX

6.0 CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

This chapter presents the conclusion and recommendations, which are based on the findings of the study. The recommendations are proposed purposely for strengthening Real Estate Development in relation to the research objectives which included;

- Establishing the extent to which real Estate Development has influenced land values.
- Establish which land tenure system attracts more Real Estate Development.
- Establish how far Real Estate Development conforms to the physical planning guidelines.
- To identify how Real Estate Development has facilitated the distribution of social services, among others

6.2 Conclusion

The purpose of the study was to determine the impact of Real Estate Developments on land value dynamics in the peri urban areas of Kampala District. During the study, four housing estates were studied: Kakunguru and Kirinya (owned by Arkright projects–a private estate developer), Lubowa and Naalya (managed by the government through NHCC). Estate residents, local leaders, estate developers, Local Government Officials and ministry officials were interviewed.

Research findings indicate that majority of the respondents agreed that Real Estate Development had influenced land values in the area. This was due to increased cost of land and the cost of living in the area; the available social facilities/services like water, power and roads had also increased the demand for plots of land in the area. Well-organized and planned permanent settlements have been built thus increasing the aesthetic value of the area.

The study established that all real estates studied had been constructed on mailo land. This implies that Real Estate Development is favoured on mailo land due to the freedom of ownership it guarantees the owner mainly in form of land title. It is therefore implied that security of tenure under mailo land is one of the main reasons why it is preferred for Real Estate Development. Other reasons given to explain the preference of mailo land tenure for estate development were private ownership of land, lack of government intervention and fewer limitations on development programs to be undertaken by the land owner.

In this study the majority of the respondents indicated that housing developments in the estates had been guided by physical planning guidelines. Evidence of physical planning in terms of master plans, land sub division layouts were observed in some estates of Kakunguru and Kirinya of Arkright projects. It was noted that physical planning is of great significance in promoting organised human settlements.

The study indicates that several social services/facilities like education facilities, water, health centres, electricity and recreational facilities have been established in the facilities. In addition, real estates had access to roads, which were opened, security is provided in the

estates to protect the lives of the people and their properties, collection points for solid waste management were also put in place. Most of these services are benefits from estate development.

All in all, since Real Estate Development is still a relatively new event in Uganda, it is hoped that the provision of social services, physical planning within and around the estates will continue to improve these areas.

6.3 Recommendations

The study puts forward the following recommendations arising from the intended objectives of the study.

- The study revealed that 92.8% of the respondents agreed that mailo land tenure attracted most of the estates as compared to the leasehold which was at 4.8%, due to its insecurity of ownership and the undesired annual premium charges. Therefore, it is recommended that the conditions of leasehold be made flexible by reducing on the annual premium charges and also granting assurance of re – owning the land after the lapse of the lease period in order to facilitate orderly development and attract more developmental projects.
- The process and procedure of obtaining land titles under leasehold, which is a security of ownership should be well streamlined and made faster especially under the Kabaka's land in order to assure people of the rights to ownership. This uncertainty of ownership on the leasehold tenureship accounts for a number of the slums, which are developed, on this form of land tenure.
- Planning is a multi- dimensional profession which addresses issues concerning all sections of people, low, medium and high income, therefore private estates developers should be encouraged or advised to also carter for the low income

earners as a way of giving back to the general community in order to avoid the creation of other informal settlements and also to give them a chance to enjoy the improved living environment like, the UN-HABITAT project of Mpumudde women housing project – Jinja implemented by Akright projects Limited.

- The study also recommends the promotion of pro-poor planning as a means of poverty reduction, inclusion of the poor, marginalized groups and to achieve a gender balanced approach in development.
- There is need for promoting of master plan preparation to act as a guiding tool for land subdivision which has to be approved by the respective planning authorities. The study found out a number of the people in the communities studied did not know what planning is all about, its importance to the development of the estates and how physical planning was different from just having the building plans approved.
- The study therefore recommends massive community sensitization on the importance and benefits of physical planning to sustainable development and improved living environment. This is an intervention that requires both the central government and the local government because it is a nationwide concern.
- The study also found out some services had been delivered by the private sector, however, not adequately distributed, there is therefore need to strengthen and promote the concept of Public - Private Partnership in service delivery to ensure equitable distribution for services.
- Wakiso District council should come out quickly to physically plan and allocate the different land uses to adequately, and properly locate these estate investments and also plan for the low-income category. It's also recommended that Wakiso District

Council should formulate guidelines for land subdivision and development control to check on the operations and standards of the private real estates.

- In Uganda, land is a free market commodity and the right set the price entirely lies in the hands of the seller and this has therefore forced the price for land on a higher side. There is therefore need for government intervention in the control of land pricing to ensure equitable access to land by all sections of the people in the society.

6.4 Areas for further study

This study has dealt a lot on the influence of estates development on land values, planning and service delivery, but was unable to exhaust the issues of either creating a new law or modifying the existing laws. There is therefore need to address the laws relating to the operations of the estate development, land management, usage and administration

Secondly the study did not focus on the extent to which these Real Estate Developments are contributing to the housing sector, therefore further research could be done in this area as we struggle to meet the housing or shelter needs for the people.

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APPENDIX I

QUESTIONNAIRE FOR THE LOCAL COMMUNITY IN AND AROUND LUBOWA, KAKUNGURU, NAALYA AND KIRINYA HOUSING ESTATES

Dear respondent,

This questionnaire is for the purpose of helping Madam NAKATUDDE RUTH a postgraduate student of Master Arts in Land use and Regional Development Planning of Makerere University to obtain information that will assist her to write a dissertation that is a partial requirement for this course. It is NOT meant for any other purpose; and therefore, information provided herein will be kept with utmost confidentiality. You are therefore kindly requested to cooperate in answering the questions honestly to provide the required information. The topic of study is "**Real Estate Development, Land Tenure and Land Value Dynamics in the Peri urban areas of Kampala City "**

Thank you.

A. BACKGROUND CHARACTERISTICS OF THE RESPONDENTS *(Please tick where applicable*)

1. Name of the estate where you live or near your residence.
   - (i) [ ] Naalya Estate
   - (ii) [ ] Kirinya Estate
   - (iii) [ ] Lubowa Estate
   - (Vii) [ ] Kakunguru Estate

2. Occupation:
   1. [ ] Civil servant
   2. [ ] Businessman/woman
   3. [ ] Student
   4. [ ] Unemployed

   Any other (specify…….

3. Your age
   1. [ ] Below 20 years
   2. [ ] 20 –30 years
   3. [ ] 31-40 years
   4. [ ] 41-50 years
   5. [ ] Above 50 years
4. Gender
   1. [ ] Male

2. [ ] Female

5. Your educational level;

1. [ ] Diploma/Certificate
2. [ ] Degree
3. [ ] Post graduate diploma
4. [ ] Masters Degree
5. Others specify _____

6. Marital status

1 [ ] Single

2 [ ] Married

3 [ ] Widow/widower

4 [ ] Divorced/separated

5.[ ] Others specify _____

7. How long have you lived in this area?

1. [ ] Below 1year
2. [ ] 1 - 5 years
3. [ ] 6 - 10 years
4. [ ] Above 11 years

B. REAL ESTATE DEVELOPMENT AND LAND VALUES

8(a). Do you think the construction of a housing estate in this area has an effect on the land value?

1. [ ] Yes
2. [ ] No

8(b). If YES, in what way has the value of land in the surrounding areas been affected?

C. LAND TENURE AND REAL ESTATE DEVELOPMENT

9. What is the type of land tenure system in this area?

1. [ ] Customary land tenure,
2. [ ] Freehold
3. [ ] Mailo land
4. [ ] Lease hold

10. Do you think this type of land tenure system has favoured Real Estate Development?

1. [ ] Yes

2 [ ] No

10(a) If YES, explain how?

10(b) If NO, give reasons

D. REAL ESTATE DEVELOPMENT AND PHYSICAL PANNING

11. As a resident of this area, do you have evidence to indicate that this housing estate followed the physical planning guidelines?

1. [ ] Yes

2 [ ] No

11(a) If YES, what indicates that physical planning guidelines were followed?

11(b) If NO, why do you think the physical planning guidelines were not followed?

12.What are the dangers that have resulted from failure of the estate developers to follow physical planning guidelines?

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13. What benefits have the occupants and the surrounding community got from this Housing estate?

E. DISTRIBUTION OF SOCIAL SERVICES IN THE AREA

14. What are the social services/facilities available in this area? (*ask the respondents to see where they are provided*)

1. [ ] Education (schools),
2. [ ] Health (health centres)
3. [ ] Water (Water supply points)
4. [ ] Garbage skips
5. [ ] Recreational facilities
6. [ ] Electricity (electric poles)
7. [ ] Access roads
8. [ ] Security of lives and property
9. Any other (specify)……..

15. Do you think these facilities are adequate for all?

1. [ ] Yes
2 [ ] No

15(a) Give reasons to support your answer

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16. What are the problems faced by people who live in the estate as well as the surrounding areas?

---

17. Suggest ways in which Real Estate Development can be improved in the peri urban areas of Kampala.

Thanks for sparing time to answer this questionnaire.

APPENDIX II

INTERVIEW GUIDE FOR KEY INFORMANTS (REAL ESTATE DEVELOPERS AND POLICY MAKERS)

Dear respondent,

This questionnaire is for the purpose of helping Madam NAKATUDDE RUTH a postgraduate student of Master Arts in Land use and Regional Development Planning of Makerere University to obtain information that will assist her to write a dissertation that is a partial requirement for this course. It is NOT meant for any other purpose; and therefore, information provided herein will be kept with utmost confidentiality. You are therefore kindly requested to cooperate in answering the questions honestly to provide the required information. The topic of study is "**Real Estate Development, Land Tenure and Land Value Dynamics in the Peri urban areas of Kampala City "**

6.4.1.1 A: BACK GROUND CHARACTERISTICS OF KEY INFORMANTS

1. Name (Optional). …….

2. Organization ……..…….

3. Position …….

B. RELATIONSHIP BETWEEN REAL ESTATE DEVELOPMENT AND LAND VALUES

4. Do you think the construction of a housing estate in this area has an effect on the land value?

1. [ ] Yes
2. [ ] No

5. If YES, in what way has the value of land in the surrounding areas been affected?.

C. LAND TENURE AND REAL ESTATE DEVELOPMENT

6. What is the type of land tenure system in this area?

1. [ ] Customary land tenure,
2. [ ] Freehold
3. [ ] Mailo land
4. [ ] Lease hold

7. Do you think this type of land tenure system has favoured Real Estate Development?

1. [ ] Yes

2 [ ] No

7(a) If YES, explain how?

7(b) If NO, give reasons

D. REAL ESTATE DEVELOPMENT AND PHYSICAL PANNING

8. As an estate developer/policy maker, do you have evidence to indicate that this housing estate followed the physical planning guidelines?

1. [ ] Yes

2 [ ] No

8(a) If YES, what indicates that physical planning guidelines were followed?

8(b) If NO, why do you think the physical planning guidelines were not followed?

9.What are the dangers that have resulted from failure of the estate developers to follow physical planning guidelines?

---

10. What benefits have the occupants and the surrounding community at large got from this Housing estate?

E. DISTRIBUTION OF SOCIAL SERVICES IN THE AREA

11. What are the social services/facilities available in this area? (*ask the respondents to see where they are provided*)

1. [ ] Education (schools),
2. [ ] Health (health centres)
3. [ ] Water (Water supply points)
4. [ ] Garbage skips

5. [ ] Recreational facilities
6. [ ] Electricity (electric poles)
7. [ ] Access roads
8. [ ] Security of lives and property
9. Any other (specify)……..

12. Do you think these facilities are adequate for all?

1. [ ] Yes
2 [ ] No

12(a) Give reasons to support your answer

---

13. What are the problems faced by people who live in the estate as well as the surrounding areas?

---

14. Suggest ways in which Real Estate Development can be improved in the peri urban areas of Kampala.
