



Focus Group Discussion: Homeowners earning less than Rwf 200,000 household income per month






 **6** home-owners participated in a focus group held in Kigali, in January 2024.






Their stories highlight the complexities of homeownership, rental arrangements, and the pursuit of stable living spaces amidst financial constraints. Despite their unique circumstances, common threads emerge: the struggle to afford suitable housing, the call for governmental assistance and streamlined processes in accessing and maintaining homes, and a steadfast commitment to hard work and resilience in the face of adversity. These narratives shed light on broader societal issues such as housing affordability, urban development, and the accessibility to essential services like education and healthcare.

The discussion sheds light on the innovative ways in which some participants have overcome obstacles to homeownership. From participating in savings cooperatives to leveraging loans from friends or financial institutions, they demonstrate resourcefulness and determination in pursuing their goals.

Of the 290 000 urban HH earning <RWF 100,000, about 134,000 own their own home. Of these:

Of the 260 000 urban HH earning Between RWF 100k – 200k, about 93,000 own their own home. Of these:

	32% live in a formal dwelling*
	0.2% have access to a flush toilet 30% share their toilet with a non-household member
	8% main source of water is piped into their dwelling OR yard
	23% say their main source of lighting is electricity
	1% live in over-crowded** conditions

	67% live in a formal dwelling*
	1% have access to a flush toilet 24% share their toilet with a non-household member
	23% main source of water is piped into their dwelling OR yard
	67% say their main source of lighting is electricity
	0% live in over-crowded** conditions

Sources: EICV5, Labour Force Survey, National Land Authority

Note*: Formal dwellings are those whose walls are made from durable materials such as cement bricks,, wood and cement, oven fired bricks or stones and roof is made from concrete, tiles or metal

Note**: dwellings are considered to be over-crowded where there are more than three people per sleeping room



Focus group discussion of homeowners, January 2024

The six families participating in the focus group discussion were residents of City of Kigali from Mageragere, Nyarugenge district, Jabana, Gasabo district and Gahanga-Karembure, Kicukiro district.

The discussion was held on the 20th January 2024, at the University of Rwanda. The participants were low income female and male house owners aged between 30 to 55 years, composed of health workers, teachers, shop attendants, drivers. All married with dependents ranging between 3 to 13 people.

The Focus Group discussion was facilitated by Alphonse Nkurunziza and students from University of Rwanda school of engineering, with transcripts and report writing by Alphonse Nkurunziza and University students.

Home histories - how respondents came to access their housing

Some individuals achieved homeownership through hard work and perseverance, gradually **saving** money over the years, while others relied on **community cooperation**, leveraging collective strength to acquire building materials and construct their homes. External opportunities, such as **lucrative job offers** or unexpected **financial windfalls**, also played a pivotal role for some, providing the necessary financial boost to overcome affordability barriers.

Long-term saving strategies, including participation in cooperative savings schemes or personal saving habits, were fundamental in accumulating capital for homeownership. Additionally, supportive **social networks** and familial connections played a crucial role, with friends or family members providing financial assistance through loans, gifts, or business partnerships.

One particularly inspiring story is that of Etienne who after marriage, struggled to make ends meet. He possessed a modest parcel of land, acquired at a time when land prices were more affordable. Utilizing this land, he constructed a small yet adequate dwelling. This dwelling, while modest, provided shelter for Etienne upon his return from Congo, where he had been wed. Despite initially facing financial hardship, Etienne's resilience shone through as he cultivated a small plot of tomatoes, yielding enough profit to erect a structure consisting of 28 roofing sheets. Through diligent agricultural efforts and continuous improvement, **Etienne gradually expanded and renovated his dwelling**, transforming it into a comfortable and promising abode. He remains optimistic about further development and growth in the future. Etienne's story highlights the transformative power of perseverance and entrepreneurship, illustrating how resilience and dedication can lead to meaningful progress in housing despite humble beginnings.

Housing future - what respondents expect about the future with respect to their housing

Participants have diverse expectations and concerns regarding their future housing situations. Some prioritize **access to better education** for their children, indicating a desire for improved opportunities that may require relocation. Others express contentment with their current living situations, citing **access to essential amenities** and facilities.

However, **financial constraints** are a common barrier to achieving desired improvements or addressing housing needs. While some individuals

express aspirations for renovations such as **installing a better roof ceiling** or **new floor tiles**, they acknowledge the lack of funds to pursue these goals. Furthermore, there are indications of a willingness to adapt to changes, such as shifting residences due to urban planning criteria or zoning regulations. With sufficient financial resources and without such constraints, some participants express a desire to remain in their current locations and potentially **expand** their homes.

Overall, participants have varying expectations for the future of their housing situations, influenced by factors such as access to amenities, educational opportunities, urban planning considerations, and financial capabilities.

ACCESS TO LAND & GOOD LOCATION

Participants described a daunting task of identifying suitable land parcels amidst a competitive and often **opaque market**. Limited financial resources and unfamiliarity with land acquisition processes posed significant barriers. Many recounted the arduous process of negotiating with landowners, grappling with fluctuating prices, and navigating bureaucratic hurdles to secure the coveted plot.

Others emphasized the importance of strategic foresight in selecting a location that offered both proximity to essential amenities and long-term growth potential. Factors such as access to **transportation** networks, proximity to **schools** and **healthcare** facilities, and **neighborhood safety** were cited as critical considerations in the decision-making process. Several participants shared anecdotes of weighing the trade-offs between **urban convenience** and rural tranquility, ultimately settling on locations that aligned with their lifestyle preferences and future aspirations.

Participants highlighted the pivotal role of community networks and **social capital** in accessing land and

securing favorable locations. Leveraging familial ties, local connections, and collective bargaining power enabled many to overcome barriers and negotiate more favorable terms.

Challenges such as land **speculation**, **encroachment**, and **land tenure disputes** were also prevalent, particularly in rapidly urbanizing areas where competing interests and legal ambiguities often fueled tensions and conflicts. Several participants recounted instances of facing **eviction threats**, legal disputes, or encroachments on their land rights, underscoring the precariousness of land tenure for many vulnerable households. For example, one participant said that “before embarking on house construction, one's plot must be located within a designated residential area with physical plans, a process that involves coordination with local leaders and security personnel, which poses notable challenges such as increased house ownership cost, time delay tactics”.

ACCESS TO INFRASTRUCTURE

Roads serve as lifelines for connectivity and transportation. Many respondents lamented the **lack of paved roads** in their areas. This deficiency not only hampers transportation but also impedes economic activities by limiting access to markets and services. The delay in implementing road paving projects underscores the challenges in infrastructure development and the need for timely execution to address the pressing needs of communities.

Access to water varies. While some benefit from **tap water**, others rely on alternative sources such as wells. However, **incomplete water distribution** systems leave certain areas underserved, necessitating reliance on decentralized sources.

Electrification emerges as a mixed scenario among participants. Many enjoy access to **electricity**, indicating progress in electrification efforts. Yet, there are pockets where electricity distribution remains pending, hindering full integration into modern amenities. The uneven distribution of electricity underscores the need for targeted interventions to bridge the gap.

Waste disposal practices vary widely among participants, reflecting the diversity of waste management infrastructure. While some benefit from organized **waste collection** services, others resort to informal methods such as **burning** or improper disposal.

HOUSEHOLD BALANCE SHEETS

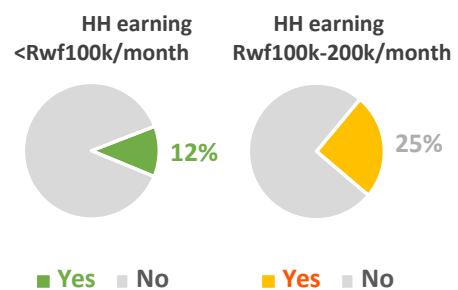
The management of expenses is a common concern. Participants express the need to allocate resources meticulously to cover expenses such as housing, education, and daily necessities. As one of the participants elaborates that her income never surpasses 200,000rwf. Despite her efforts, she finds it challenging to stay within this budget, especially with obligations such as school fees and other essential expenses for herself and her children. Even covering basic necessities with just 100,000rwf per month poses significant difficulties for her. Challenges in budgeting surface, particularly when faced with irregular income or unforeseen expenses.

Debt management is a prevalent theme, with many grappling with the burden of debt repayment and avoidance. Whether it pertains to housing loans, education financing, or consumer debt, debt poses a significant financial challenge for households. Responsible borrowing and debt management strategies are emphasized as crucial for financial stability and well-being.

Property ownership and rental income play a significant role in the financial portfolios of some households. While owning properties provides a

source of revenue, challenges such as property maintenance and tenant management are also acknowledged. Nevertheless, property ownership is viewed as a means of generating passive income and building long-term wealth, contributing to financial resilience.

Percent of urban owner households in Rwanda who earn a rental income (EICV5, Labour Force Survey)



Despite the financial challenges, aspirations for improvement and advancement are evident. Participants expressed various financial goals, including homeownership, education savings, and investments.

ACCESS TO FINANCE

Access to finance is a significant challenge when it comes to building or renovating their houses, and many participants expressed **concerns about the high costs** associated with formal financing. They mention various methods of financing, such as loans from banks, SACCOs, cooperatives, or informal sources like friends, relatives. However, obtaining these loans

often requires collateral or proof of income, which can be difficult for individuals with low income. One of the participants told of joining a cooperative, saving 5,000 Rwandan Francs daily. After two years, the cooperative provided a loan based on their accumulated savings. Supplementing this with additional funds from a friend, he was able to acquire a house.

ACCESS TO QUALITY STRUCTURES & SPACE

Limited incomes can restrict individuals from building or maintaining adequate housing.

Government regulations and urban planning policies and practices also play a crucial role in shaping access to quality housing. Challenges related to obtaining building permits, complying with zoning regulations, and accessing designated residential plots were highlighted. These bureaucratic hurdles often hinder individuals from constructing or improving their homes in accordance with established standards.

Moreover, the quality of housing structures varies widely, with some individuals expressing

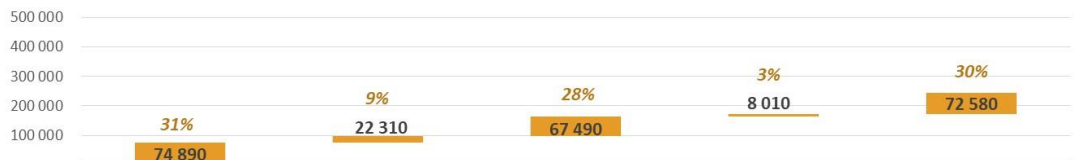
dissatisfaction with the **durability, functionality, and space** of their homes. Issues such as overcrowding, inadequate sanitation facilities and basic services, and substandard construction materials contribute to the housing challenges and impact their living conditions.

However, community support and innovative solutions offer potential avenues for addressing housing challenges. **Cooperative savings schemes**, community-led construction projects, and mutual assistance among neighbors demonstrate the capacity for grassroots initiatives to improve housing access and quality.

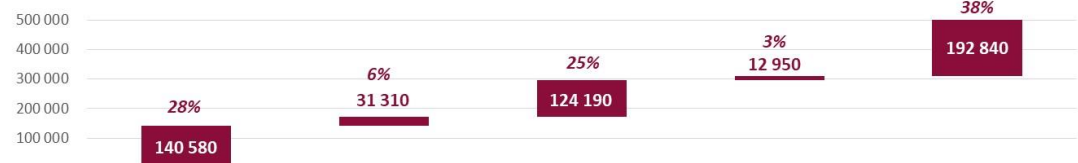
CENSUS 2022
(10% SAMPLE)

SEGMENTATION OF HOUSEHOLDS IN HIGH DENSITY URBAN SETTLEMENTS
BASED ON DWELLING CONDITIONS AND ACCESS TO SERVICES

SPONTANEOUS/
SQUATTER/
UNPLANNED AREAS
(245,280 households)



PLANNED AREAS
(501,870 households)



- ✗ Non-durable or semi-durable materials
- ✗ Non-durable or semi-durable materials
- ✔ Durable materials
- ✔ Durable materials
- ✔ Durable dwelling
- ✗ Inadequate access to services
- ✔ Adequate access to services
- ✗ Inadequate access to services
- ✔ Adequate access to services
- ✗ Over-crowded*
- ✔ Not over-crowded

ACCESS TO MUNICIPAL SUPPORT

One of the key findings from the focus group discussions is the arduous permitting processes involved in obtaining necessary approvals for housing projects. Participants reported lengthy waiting periods of up to two months to receive permits from municipal

authorities. Moreover, some individuals encountered obstacles, such as being denied permits without clear reasons, highlighting bureaucratic inefficiencies and inconsistencies in the permitting process.

MAIN HOUSING CHALLENGES



Housing Ownership and Quality: Across the discussions, it emerges that participants own their homes, but the quality of these dwellings varies significantly. Issues such as small house sizes, insufficient funds for renovations, and difficulties in obtaining building permits are commonly cited challenges. Despite the desire for improvements, financial constraints often limit the ability of residents to enhance their living conditions.



Income and Affordability: Income disparities play a significant role in shaping housing experiences. While some individuals work diligently, they still struggle to afford basic needs, let alone invest in housing improvements. Renting out properties is seen as a potential source of income, yet the rental income may not cover the costs associated with property maintenance and upgrades.



Access to Finance: Access to finance is identified as a crucial factor in housing development. While loans from banks or cooperatives are sought after, the stringent collateral requirements pose significant challenges, particularly for low-income individuals. Cooperative savings and loans provide some relief, but they may not always meet the full financial needs of residents.



Infrastructure and Services: The availability of essential infrastructure and services varies among communities. While some areas have access to water, electricity, and sanitation facilities, others face significant deficiencies. Unpaved roads exacerbate transportation challenges, limiting access to essential services and hindering economic opportunities.



Government Support and Policy Issues: Residents express a desire for government support in navigating housing-related challenges. Streamlining bureaucratic processes for obtaining building permits and addressing urban planning issues are identified as key areas for improvement. Policy interventions that promote sustainable housing development and improve access to services are deemed essential.



Future Plans and Aspirations: Despite facing numerous challenges, residents maintain hopeful outlooks for the future. Many express a desire to improve their housing conditions through renovations or new constructions. However, financial constraints and bureaucratic hurdles often stand in the way of realizing these aspirations.

HOUSING POSSIBILITIES



Affordable Housing Solutions:

Participants underscored the pressing need for affordable housing solutions tailored to the unique circumstances of different demographic groups. This includes exploring alternative construction materials, such as sustainable and cost-effective options, to lower building expenses without compromising quality.



Innovative Financing Mechanisms:

The discussions highlighted the importance of innovative financing mechanisms to facilitate homeownership, especially for low-income households. Participants emphasized the potential of microfinance initiatives, community-based savings schemes, and partnerships with financial institutions to broaden access to housing finance and reduce reliance on traditional loans.



Collaborative Housing Models:

Collaborative housing models, such as co-housing and cooperative housing, emerged as promising avenues for addressing housing challenges. Participants expressed interest in pooling resources and sharing amenities to reduce individual costs while fostering a sense of community and mutual support.



Integrating Technology:

Integrating technology into housing development processes was deemed essential for enhancing efficiency and affordability. From digital design tools to prefabricated construction techniques, participants highlighted the potential of technology to streamline processes, minimize construction time, and reduce overall costs.



Sustainable Urban Planning:

Sustainable urban planning principles were emphasized as integral to creating vibrant and resilient communities. Participants stressed the importance of incorporating green spaces, pedestrian-friendly infrastructure, and mixed-use development to promote environmental sustainability, social cohesion, and economic vitality.



Policy and Regulatory Reforms:

Addressing regulatory barriers and streamlining bureaucratic processes emerged as critical priorities for fostering housing innovation. Participants called for proactive policy interventions, including zoning reforms, expedited permitting procedures, and incentives for developers to invest in affordable housing projects.

The Urban Lab team is grateful for the active engagement by the political partners, the Ministry of Infrastructure (MININFRA) and the City of Kigali. All material developed as part of this project, reflect the outcomes of the Urban Lab and not necessarily the views of the political partners.



Republic of Rwanda
Ministry of Infrastructure



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