

Mak offers 32 acres to private investors

Returns. The university expects to get at least 10 per cent share of the investors' proceeds annually.

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KAMPALA. Makerere University yesterday gave out 32.29 acres of its prime land in different parts of Kampala to private investors to utilise for 49 years.

It's a "Build, Operate and Transfer" venture where, after 49 years, all the developments on the land will be transferred to Makerere University.

According to the university's investment arm, MakHoldings, the investors are expected to recover their capital investment on the land between seven to 10 years and start enjoying profits for the rest of the lease years.

The chairperson of MakHoldings, Mr Charles Mbire, said they will ensure the hostels constructed at the main campus are affordable to attract students in order for the investors to recover their capital.

He explained further that depending on the performance, there will be automatic renewal after the lease expires for those who will still be interested in the partnership.

"One of our tasks is to make sure we get good habitable accommodation. Most of you I am sure know Lu-



Affected. Makerere University Guest House which is situated on part of the land that has been given to investors.

PHOTO BY RACHEL MABALA

mumba Hall. There is no way you can churn out a student from such conditions and you want them to deliver. This must change," Mr Mbire told the investors who had gathered at Serena Kampala Hotel yesterday.

Lumumba is deemed the most dilapidated hall at Makerere University characterised by a ramshackle roof-

ing, chronic stench and water leakage due to a poor drainage system.

Vice Chancellor Prof Barnabas Nawangwe said once their land has been developed, the university will accommodate 100,000 students, up from 40,000 currently, thus increasing the demand for the investors' facilities.

In return, the university expects to get at least 10 per cent share of the investors' proceeds annually.

He made the remarks yesterday during an engagement between the university officials, prospective investors, financiers, advisors, fund and investment managers and other stakeholders.

"Makerere University and the investors alike have to rise up to the challenge not only to meet the changing needs of the clients we serve, but also fit within the changed economic environment. The change in the landscape of Katanga today presents you a picture of multi-billion shillings investments and the potential investments that you can make. At Makerere University, it was a wakeup call," Prof Nawangwe said.

Until about 15 years ago, Katanga was a neighbouring filthy slum and home to the wretchedness of the earth consumed by drunkenness, prostitution and drug abuse and other illicit behaviour. It had no proper sewerage system or electricity lines. Today, it's a sprawling neighbourhood with imposing commercial buildings that house both businesses and students hostels.

Proposals

Prof Nawangwe said the university had started receiving proposals from investors and they should be ready to start developing the land by June 2018.

The University Council chairperson, Mr Charles Wana-Etyem, said the institution has gone through a transition and is now comfortable to allow developers on their land. He said this will allow the university bolster its financial capacity and stop dependency on government and donor funding which in most cases has unfair conditions attached to it.

"We want to make sure we are financially stable. I have been associated with Makerere University since 1972. Previously, if you said you were giving Makerere land to investors, it would literally be war. This has changed today. You can be sure our land is free from any encumbrances,"

Mr Etyem declared.

ENS Africa, a leading legal and estate consultancy firm; Knight Frank, gave green light to Makerere to continue with their investment plan.

In her presentation, Judy Rugasira Kyanda, Knight Frank's managing director, said there is potential for a sizeable investment on all Makerere land assets.

Already, the university houses 53,221 students only out of the 100,000 studying at the country's oldest university. This, Ms Kyanda said, shows there is a ready market for the planned hostels at the main campus.

“One of our tasks is to make sure we get good habitable accommodation. Most of you I am sure know Lumumba Hall. There is no way you can churn out a student from such conditions and you want them to deliver. This must change.”

CHARLES MBIRE, CHAIRPERSON MAK HOLDINGS

"Investors look for stability and Uganda is stable. You have security of tenants for at least three years. Children will continue to study whether times are good or bad. For those who are parents, there will always be a budget for our children to go and study," Ms Kyanda said.

Other areas the university interested the investors in include 13.49 acres of land in Kololo, an upscale suburb in the capital Kampala, where they will set up business offices, apartments and a star hotel; 14 acres in Makindye Division and five acres at the main campus, part of which hosts the University Guest House.

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