HOW UGANDA WILL FIX 2.4 MILLION HOUSING DEFICIT

BY NELSON KIVA

Some of the apartments springing up in Kampala. Uganda currently faces a national housing deficit of more than 2.4 million housing units, while Kampala alone accounts for nearly 550,000 to 600,000 of the missing units

Uganda's rapid urbanisation, population growth and expanding middle class are intensifying pressure on the country's already strained housing sector.

It is on this note that experts have warned that unless urgent interventions are implemented, the housing crisis could worsen over the next decade.

According to estimates from the lands ministry, Uganda currently faces a national housing deficit of more than 2.4 million housing units, while Kampala alone accounts for nearly 550,000 to 600,000 of the deficit.

The deficit, according to experts, continues to widen annually due to high population growth estimated at more than 3% and increasing migration into urban centres.

The Chief of the Defence Forces (CDF), Gen. Muhoozi Kainerugaba, recently weighed in, saying it is possible for the country to achieve one million housing units in the next 10 years.

"Our brothers, African National Congress (ANC) in South Africa have built 3.3 million housing units for the most disadvantaged slum and township dwellers since 1994. We can at least do one million housing units in 10 years," Muhoozi posted on his X account.

UPDF'S ROLE

Based on what is taking place in the army and Police, experts believe the goal is attainable with commitment.

The Uganda People's Defence Forces (UPDF) Engineers' Brigade has, over the past few years, constructed about 3,000 housing units for soldiers as part of a long-term target to build 30,000 modern three-bedroomed units for UPDF personnel.

Uganda's housing deficit dominated discussions during the inaugural Construct Uganda Expo 2026, held at the Uganda Manufacturers Association (UMA) Multipurpose Hall in Kampala from May 21-23.

The expo, co-hosted with the Power, Energy and Solar Expo 2026, brought together investors, policymakers, engineers, contractors and exhibitors from more than 10 countries, including India, China, Kenya, Malaysia and the Philippines.

State and non-state actors at the expo argued that solving Uganda's housing crisis will require a combination of stronger urban planning, affordable financing, local manufacturing of construction materials, infrastructure expansion and increased private sector investment.

"The housing deficit is becoming more visible in Kampala and surrounding metropolitan areas, where demand for affordable housing continues to outpace supply. Areas such as Kololo and Naguru, traditionally known for low-density residential developments, are now witnessing rapid vertical construction as developers respond to rising urban demand," Dr Ezra Muhumuza, the executive director at UMA, said.

According to Kampala Capital City Authority officials, dozens of high-rise residential and mixed-use developments have been commissioned in Kololo and Naguru over the past five years, signalling a shift towards apartment-based urban housing.

They add that construction permits issued by KCCA have also increased significantly as investors target middle-income and high-income urban residents.

David Bahati: Former Trade state minister

However, analysts argue that while luxury apartments and commercial buildings are expanding in Kampala and other cities and towns, affordable housing for ordinary Ugandans remains critically inadequate.

Uganda's urban population currently stands at about 27%, but the National Planning Authority projects it will rise to nearly 50% by 2040.

On this note, experts argue that millions more Ugandans will require housing, water, transport, electricity and sanitation infrastructure within the next 15 years.

VISION 2040

It is against this backdrop that the Government, through Vision 2040, the National Development Plan IV, is placing increased emphasis on planned urbanisation, industrialisation and affordable housing development. Vision 2040 seeks to transform Uganda into an upper middle-income economy through infrastructure expansion, industrial growth and improved urban systems. Housing is viewed as a critical pillar in achieving that transformation.

Government planners insist that the country must move away from unplanned settlements and informal housing towards modern, resilient and affordable urban communities supported by proper transport, water and energy systems.

The National Development Plan IV is prioritising integrated housing policies, low-cost urban housing schemes, improved land management systems and investment incentives for private developers. At the expo, outgoing trade state minister David Bahati acknowledged that Uganda's growing housing demand presents both a challenge and an economic opportunity.

"The demand for construction materials continues to rise because Uganda is urbanising very fast and we have a significant housing deficit," Bahati said.

He said the Government is encouraging local manufacturing of construction materials to lower construction costs and reduce dependence on imports.

"Uganda imports steel and steel products worth approximately $1b annually despite having significant iron ore deposits," Bahati said.

He added: "To bridge this gap, the Government has encouraged investment in steel manufacturing plants in areas such as Tororo, Jinja and the Mbale Industrial Park."

Bahati said companies such as Tembo Steels and several Indian-owned manufacturers are investing heavily in Uganda's steel sector to support local value addition and industrialisation. Experts say local production of steel, cement, tiles and roofing materials could significantly reduce building costs and make housing more affordable for middle and low-income Ugandans.

Uganda's construction sector currently contributes between 13% and 18% of gross domestic product and employs more than one million people, making it one of the country's largest economic sectors.

The Government also sees industrialisation as central to addressing housing shortages because increased manufacturing lowers dependence on imported materials whose prices are often affected by currency fluctuations and global supply chain disruptions.

Across Africa, housing deficits are becoming one of the continent's biggest urban development challenges.

The African Development Bank estimates that Africa faces a housing shortage of more than 50 million units, with rapid urbanisation adding pressure every year.

FROM THE EXTERNAL OBSERVERS

Yogender Singh, the second secretary for political, education and commerce at the Indian High Commission in Kampala, said Uganda's rapid urbanisation presents enormous opportunities for Indian investors.

"India has developed strong capabilities in affordable infrastructure solutions, renewable energy technologies, solar applications and energy services," Singh said.

He added: "Events such as this provide an excellent platform to deepen partnerships between Uganda and India."

Industry leaders believe collaboration with India could help Uganda adopt cheaper and more efficient construction technologies capable of delivering affordable housing at scale.

Trushar Upadhyay, the honorary adviser of the Federation of Indian Chambers of Commerce and Industry, described Uganda as one of East Africa's most promising destinations for investment.

"Uganda's focus on infrastructure development, housing, urbanisation and industrialisation is creating major opportunities for investors and businesses worldwide," Upadhyay said.

He added that the expo would strengthen international trade and industrial collaboration while connecting Ugandan firms to global investors and technology providers.