

A) Microeconomic Developments

Issue	Market Updates
Employment	Formal Employment, as captured under the PAYE Register, increased by 32.6% from 555,389 employees in September 2023 to 736,541 employees in October 2023. On the other hand, the number of migrant workers captured by the Immigration Department significantly increased from 183 migrant workers in September 2023 to 2,229 migrant workers in October 2023.
Living Standards	Monthly Inflation for Food and Non-alcoholic Beverages increased by 1.1% in October 2023, same rate as recorded in September 2023. On the other hand, monthly EFU Inflation rose by 0.4% in October 2023, compared to the 0.1% drop recorded in September 2023. Household Final Consumption Expenditure (HFCE) declined by 4.7% in Q4 FY 2022/23 compared to the 9.4% growth recorded in Q4 FY 2021/22.
Equity and Economic Inclusion	The volume of transactions on the shared agent banking platform marginally increased by 2.3% from 8.6 million in June 2022 to 8.8 million transactions in June 2023. In addition, the value of transactions significantly increased by 29% from Ushs 9.7 trillion in June 2022 to Ushs 12.5 trillion in June 2023.
Environmental Sustainability	Air Quality in Kampala improved significantly, with particulate matter dropping from 31.79 $\mu\text{g}/\text{m}^3$ in September 2023 to 22.57 $\mu\text{g}/\text{m}^3$ in October 2023. Similarly, Noise Pollution decreased by 9.5% from 64.42 decibels in September 2023 to 58.33 decibels in October 2023. The rainfall for October 2023 remained above-normal rainfall (enhanced rainfall), in most parts of the country.
Productivity	The monthly incidence of malaria reduced by 1.7% from 2.94 persons per 1,000 persons in September 2023 to 2.89 persons in October 2023.
Competitiveness	The monthly Liquid Energy Fuels Inflation increased by 1.7% in the month October 2023, compared to the 5.3% drop recorded in September 2023. The rise was mainly attributed to an increase in petrol inflation (by 1.8%) and diesel inflation (by 3.8%). Investment growth, as measured by the Gross Fixed Capital Formation (GFCF), grew by 9.6% in Q4 FY 2022/23, compared to the 3.4% growth registered in Q4 FY 2021/22. In addition, Exports grew by 13% in Q4 FY 2022/23, compared to the -30.2% growth registered in Q4 FY 2021/22.
Markets & Regulation	The IMF primary commodity price index, which gauges international commodity prices, declined by 0.36% from 168.4 in September 2023 to 167.8 in October 2023. The number of new business registrations decreased by 20.1% from 4,955 new businesses in September 2023 to 3,956 new businesses in October 2023. The USE All Share Price Index reduced by 2.3% from 947.09 in September 2023 to 925.12 in October 2023.
Local Content	Uganda's Trade deficit narrowed by 15.2% from US\$ 349.7million in August 2023 to US\$ 296.4million in September 2023. The reduction was attributed to a decrease in import receipts from US\$ 1,019.6million in August 2023 to US\$ 928.4million in September 2023.

B) Policy Response Measures: This edition of the MIND focuses on the Housing and Real Estate Sector in Uganda.

Objective	Interventions
Affordable Housing and Sustainable Urbanization	<p>The Ministry of Lands, Housing and Urban Development (MLHUD) estimates Uganda’s current housing stock at 5.28 million housing units, with an average household size of 4.8 persons. On the other hand, the housing deficit in Uganda stands at 2.4 million housing units, out of which about 1.395 million units are required in rural areas. The third National Development Plan (NDP III) aims to reduce this acute housing deficit by 20%. To address the housing market deficit in Uganda, Government has:</p> <ul style="list-style-type: none"> a) Revisited the mandate of National Housing and Construction Company (NHCC) to support housing development in the country. Currently, NHCC is constructing affordable apartments in Mbrarara municipality, Namungoona (Rubaga division) and Jasmine apartments in Naalya. b) Formulated, reviewed and revised the existing laws and regulations to increase access to decent and affordable housing. For instance, the implementation of the Condominium Act (2001) allows people to own and acquire security of tenure for their individual units in high-rise buildings/apartments, thus promoting optimal use of land and access to descent housing facilities. In addition, the implementation of the Landlord and Tenants Act (2022) harmonizes the housing relationships between tenants and Landlords. c) Addressed the question of land ownership across the country. One of the major impediments to the development of affordable housing units is the lack of clear land ownership laws and regulations. A number of Land reforms have been undertaken: <ul style="list-style-type: none"> i) Decentralisation of Land Administration: A total of 22 Ministry Zonal Offices (MZOs) have been established countrywide to take land services closer to the people. ii) Digitalization of Land Registration and Titling: All Freehold, Leasehold and Mailo Titles have been digitalized and entered into the Land Information System (LIS). Certificates of Customary Ownership (CCOs) have also been digitalized. d) Developed an inclusive housing finance mechanism, including the capitalization of Housing Finance Bank to provide reasonably affordable mortgages. e) Increased investment in the housing sector through the National Social Security Fund (NSSF), to promote home ownership. In September 2022, H. E. the President commissioned the US\$72m SOLANA Lifestyle and Residences housing estate built by the Fund in Lubowa, Wakiso district. So far, the estate has 300 housing units on 60 acres of land. f) Prioritized the development of infrastructure such as roads, water and electricity to reduce the cost of construction and attract real estate developers in areas where affordable housing units are being constructed. g) Developed the Uganda Green Growth Development Strategy (2017/18 -2030/31) to promote green and urban cities across the country.

C) Microeconomic Outlook: The housing and real estate sector outlook remains optimistic, supported by the projected improvement in economic activity, waning inflation pressures resulting in improved purchasing power, a relatively stable currency, as well as positive investor sentiments.

MICROECONOMIC ISSUES IN THE NEWS & REPORTS

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HOUSING AND REAL ESTATE IN UGANDA
**Housing at a
National
glance**

Housing and shelter are important indicators for assessing living conditions of a population. Nationally, the percentage of households living in their own dwelling (house) increased by 13% from 72% in 2016/17 to 81% in 2019/20. On the other hand, the percentage of households living in rented dwellings reduced by 32% from 22% in 2016/17 to 15% in 2019/20. Majority of the households in rural areas live in owner occupied dwellings (90%) compared to 52% in urban areas. About 76% of the households live in dwellings with iron sheet roofs, while 23% have thatched roofs.

The Q1 FY2023/24 Residential Property Price Inflation (RPPI) for Greater Kampala Metropolitan Area (GKMA) increased by 0.1%, compared to the 5.8% rise registered in Q4 FY2022/23. The increase was attributed to a rise in prices of properties located in Wakiso and Makindye areas.

**Ankole sub-
region:**

Economy,
Industry,
Public
Services,
and Housing

Ankole sub-region, situated in the western part of Uganda, is renowned for its distinctive Ankole longhorn cattle, which play a significant cultural and economic role in the country. With a population growth rate of 11.2% between 2016 and 2019, the sub-region has the third largest zonal population of 3,176,100 people (7.3% of the national population in 2021). On average, households in the sub-region comprise of 4.8 persons. About 36.9% of the population in Ankole sub-region is in the Subsistence Economy.

The Poverty Rate in the sub-region more than doubled from 6.8% in 2016/17 to 13.3% in 2020, ranking 6th lowest after Elgon (13.2%), Tooro (12.8%), Bunyoro (9.8%), Buganda South (6.9%) and Buganda North (1.6%). On the other hand, Income Inequality in the sub-region reduced by 14.7% from 0.387 in 2016/17 to 0.33 in 2019/20, slightly lower than the national average of 0.413. The dependency ratio of the sub-region reduced from 99% in 2013 to 95% in 2016/17, declining further to 84% in 2019/20. Unemployment in the sub-region however, more than doubled from 4.1% in 2016/17 to 8.4% in 2021; slightly lower than the national average of 11.9%. The sub-region has the highest share of people engaged in the Informal Sector (92.6%), slightly higher than the national average of 88%.

The sub-region is the leading producer of bananas, millet and dairy products, and has one SME Industrial Park located in Mbarara district. In regard to service delivery, the sub-region has two Ministry Zonal Offices (MZOs), located in Mbarara district, for Land and Immigration/Passport services. In addition, the sub-region has one URSB office located in Mbarara district. All districts in the sub region have a NIRA office. The sub-region has two border points, Mirama Hills Ntungamo (close to Rwanda) and Kikagati Isingiro (close to Tanzania).

In regard to the housing sector, the percentage of households in Ankole sub-region living in their own dwelling (house) increased by 12% from 75.6% in 2016/17 to 84.4% in 2019/20. This is slightly higher than the national average of 80.5%. On the other hand, the percentage of households living in rented dwellings reduced by 45% from 20.2% in 2016/17 to 11.2% in 2019/20. Ankole sub region has the second highest percentage of households whose dwellings have iron sheet roofs (98%) after Kigezi sub-region (99%).

Issues	Indicators	Frequency	Status		Issues	Indicators	Frequency	Status		
Employment	Jobs	Formal Sector ¹	Monthly	736,541		Productivity	Literacy Rate (Grade 6) ¹¹	Yearly	21.7%(66.8%)	
		Informal Sector	Yearly (-1)	8,796,480			Numeracy Rate (Grade 6)	Yearly	41.2% (-19.1)	
		Migrant Workers	Monthly	2,229 (1,118%)			Morbidity Rate (Malaria Incidence) ¹²	Monthly	2.89 (-1.7%)	
	Incomes	Per-capita GDP (US\$): 2022/23	Yearly	1,088 (4.3%)			PIP Budget Absorption (GoU, IFMS %) ^b	Yearly	85.5% (0%)	
		Income Poverty (%)	Yearly (-2)	20.3% (-1.1)		Power Tariff (Ushs per Unit)	Medium	Quarterly	461.8 (0%)	
		Remittances (US\$,M)	Yearly	1,133.94 (-1.76%)			Large	384.4 (0%)		
Extra Large	325 (0%)									
Living Standards	Utilities (Retail Tariff Rates)	Water (M ³)	Quarterly	3,727(0.2%)		Competitiveness	Av. Freight Costs (US\$, Mom-Kla, 40ft)	Monthly	3,500	
		Power/Domestic	Quarterly	805.0 (-0.48%)			Commercial Case Backlog ¹⁴	Yearly (-1)	6,178 (1.38%)	
		Data (Ushs, 1GB)	Monthly	4,000			Fuel Prices (Liquid Energy Fuel Inflation) ¹⁵	Monthly	0.1	
	Household Expenditure (HFCE), Ushs Bn	Quarterly	29,021 (-4.7%)		Customs Clearance (Hours)		Monthly	5.13 (0%)		
	Education Expenditure ³ (HH,Ushs)	Yearly (-2)	440,000(13%)		Transit Times (Mom-Kla, Days)		Monthly	4.8 (4.2%)		
	Healthcare Expenditure (HH, Ushs)	Yearly (-2)	15,000 (-34.2)		Investment Registration (Days)		Yearly	2		
	Food Inflation (%)	Monthly	1.1 (2.6)		Export Growth		Quarterly (-1)	13%		
	EFU ⁴ Inflation (%)	Monthly	0.4 (3.9)		Electricity Connection (Days)		Monthly	28 (-6.7%)		
	Residential Property Price Index (RPPI) for GKMA	Quarterly	104.66 (0.11%)		Water Connection (Days)		Monthly	3 (0%)		
	Crime Rate (per 100,000):2022	Yearly	523(18%)		Investment Growth (GFCF)		Quarterly (-1)	9.6%		
	Equity and Economic Inclusion	Private Pension: Active Members	Yearly	1,088,658 (48.27%)			Markets and Regulations	Communication Rates	Voice (Ushs Per Sec)	Quarterly
Private Pension: Registered Members		Yearly	2,213,257 (2.9%)		Data ¹⁶ (Unlimited)	Monthly		550,000(0%)		
Public Pension (Beneficiaries)		Monthly	85,651 (0%)		IMF Primary Commodity Price Index	Monthly		167.8 (-0.36%)		
SAGE (Beneficiaries)		Yearly	332,793(-3.78%)		Average Monthly Net Salary (After Tax)	Yearly		628,611		
Agent Banking (Volume of Transactions, Mn)		Yearly	8.8 (2.3%)		Retail Sales/EFRIS ¹⁷	Quarterly (-1)		63.9% (16.1%)		
Environmental Sustainability	Water Quality (PM _{2.5}) ⁵	Quarterly	Low, 20.97 (31.1%)		Local Content	USE All Share Price Index	Monthly	925.12 (-2.3%)		
	Air Quality (PM _{2.5}) ⁶	Monthly	High, 22.57 µg/m ³ (-29%)			New Business Registrations	Monthly	3,956 (-20.1%)		
	Noise Pollution (Decibels, Kampala)	Monthly	Moderate, 58.33 (9.5%)			Hotel Occupancy Rate (Kla)	Quarterly	44% (-15.4%)		
	Seasonal Changes in Rainfall	Monthly	Above Normal			Plant Utilisation Rates (SME-Large Firms)	Yearly	53.6%		
	Natural Disaster Incidences ⁷	Monthly	2,557 (-11.9%)			MUG Shelf-Presence ¹⁸	Yearly	N/A		
					Trade Balance (US\$, Millions)	Monthly	-296.4 (-15.2%)			
					Contracts Awarded to Local Providers ¹⁹	Yearly	77.12%(26.4%)			

*Unless indicated all quarterly figures are for Q1, FY2023/24. ¹ Active PAYE Register Jobs | ² Labour Intensive Public Works | ³ Average household expenditure on Primary education | ⁴ Energy, Fuel and Utilities | ⁵ Particulate Matter (July 2022) | ⁶ 0-50 is good | ⁷ Total number of individuals affected by Natural Hazards | ¹¹ Persons aged 10 years and above | ¹² Cases per 1,000 population | ¹³ Cumulative Absorption in Q2 (31st Dec 2022) | ¹⁴ December 2021 | ¹⁵ Percentage Average change | ¹⁶ Average monthly price of data bundles for MTN (1705GB) and Smile (150GB) | ¹⁷ Electronic Fiscal Receipting and Invoicing System | ¹⁸ Made in Uganda (MUG) | ¹⁹ By Value.