

# Affordable Housing in Rwanda

## 6. Sale & rent prices in Rwanda's housing market

November 2021

# Introduction

Rwanda has a developing housing and housing finance sector – but there are constraints. While Rwanda’s mortgage to GDP ratio (3,35 percent) is relatively high for the region, mortgage lending is concentrated at the upper end of the income pyramid; and while Rwanda’s microfinance sector is an important source of finance for lower income segments of the market, the products and services of microfinance providers are not typically addressed towards housing. In addition, Rwanda has a critical, but poorly documented residential rental sector. As is the case in most countries, the affordable rental sector operates off the radar, unattended by both policy and finance.

In 2020, the Government of Rwanda partnered with the World Bank to access two grants, one of which is for housing finance. US\$150 million has been approved to fund the Rwanda Housing Financing Project, the main objective of which is to expand access to long term housing finance for the benefit of middle-income segments that have limited or no access to mortgages, while also supporting capital market development. While this is important, it is unlikely to cover the breadth of the need for housing finance, specifically for lower income earners who are outside the scope of mortgage lending. How the end user finance intentions align with the availability of construction finance, and whether this addresses the needs of the so-called informal, or small-scale supply sector (and critically, rental accommodation) is also not clear. To this end, a broader and more detailed understanding of the demand and supply sides, how they intersect, and the specific housing value chains engaged with and served by each, is required.

Rwanda’s Vision 2050 “sets a new pathway that will lead the country to the livings standards of upper middle income by 2035 and high-income countries by 2050”. In line with this vision, the National Land Use Development Management Plan predicts a 2% annual growth rate, such that by 2050, Rwanda’s population will be 22.1 million people. To meet the housing needs of these people, the NLUDMP projects that 5,5 million dwelling units will be required by 2050, or an annual delivery of 150 000 dwelling units between 2020 and 2050. The research finds the urban figure to be an estimated 3,2 million units by 2050. Even just this urban projection demands a higher rate of annual delivery than current formal capacity has been able to achieve. The report finds that most housing in Rwanda is being delivered by smaller scale players and by households themselves, often informally. Meeting the Vision 2050 affordable housing targets both in terms of the anticipated scale and quality will require strong partnerships between market players and with government, while also explicitly leveraging and growing the capacity of smaller scale players.

**As Rwanda develops in line with its vision, there is an opportunity for AFR to support the development of a housing finance sector in Rwanda that meets the needs of all residents and all housing supply approaches, with a variety of products and services designed explicitly to engage with the breadth and nuance of their capacity.**

This review of Rwanda’s affordable housing sector and its financing explored the overall institutional, policy and legislative environment for affordable housing, scoped the demand side, interrogated the capacity and activities of the supply side, and considered where finance could make a difference.

**This report sets out the results of a web-scraping exercise to explore sale and rent prices in Rwanda’s housing market.** The full study was presented to Rwandan stakeholders for a validation workshop on 24 August 2021. The team is grateful for the detailed engagement and inputs from all stakeholders and looks forward to further engagement on the recommendations.

## Team



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A web-scraping technique has been used to gather data on properties advertised for sale and for rent on three Rwandan websites. Examples of the adverts scraped are included below. The data collected includes pricing, property specifications and location. However, it should be noted that properties advertised online are biased toward more expensive properties and so are not representative of the market in Rwanda

**Source 1  
(English)**

**A NICE 5 BEDROOM HOUSE FOR RENT IN KIGALI AT KIMIRONKO**


Share on [Facebook](#) [Twitter](#) [Whatsapp](#) [LinkedIn](#) [Pinterest](#)



656 Sqm 5 Bedrooms 3 Bathrooms Not Furnished

House with its annexes Rwf 400 000 = \$ 404.04 USD / month

**Publisher details**  
Names: ESERCOS LTD



Contact Publisher

**Quick Summary**

Property Id	HR400K 2011 20201400DM Kimironko
Property type	House
Price, House with its annexes	Rwf 400 000 / month
Land size	656 m <sup>2</sup>
Bedrooms	5
Bathrooms	3
Available From	Nov 20, 2020

Listing type	Rent
Furnished	No
Bookable	No
Disctrict	Gasabo
Neighbourhood	Kimironko


**Advertisement examples**

**Source 2  
(English/Kinyarwanda)**

**A FABULOUS HOUSE FOR RENT REBERO** \$ 1 000

Category: Houses For Rent  
Posted On: 22-Mar-2021

Like 0 Share Tweet



**ANNOUNCE LOCATION**  
CITY: KIGALI, REBERO  
COUNTRY: RWANDA

**CONTACT THE OWNER**  
PHONE: 250788237448  
Send Me An E-Mail  
Offline

✔ Still available

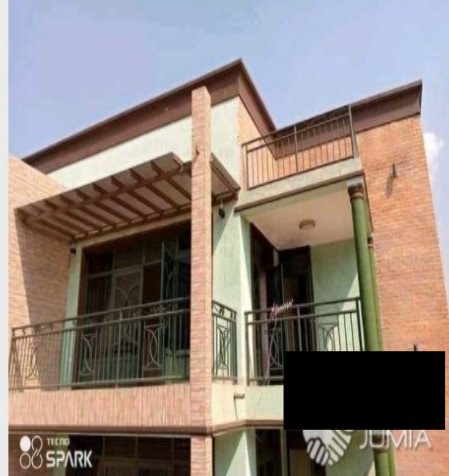
⚠ Read This Before You Make Any Payment

- It's located in a prime location of Rebero;
- Rent price is \$1,000;
- It has a neat garden ;
- 2 Sitting rooms;
- 1 Dining room;
- 4 Bedrooms;
- 3 Bathrooms;
- Built-in wardrobes in bedrooms;
- Beautiful Kitchen counter with cabinets;
- Boy's quarters;
- Balconies which enable you to have a tremendous view;
- Paved car parking space;
- Etc.

For more information about the property, Find us at:  
Office Location: Kimironko, KG 11 Av 65

**Source 3  
(English)**

**Nice Apartment For Rent In Kibagabaga Gisozi**



**250,000 RWF**

Seller:  
Ndikumwenayo Emmanuel

Location:  
Gisozi

Published:  
Feb 9, 12:43

Show Phone Number

Reply By Mail

Save post as favorite

Share Post

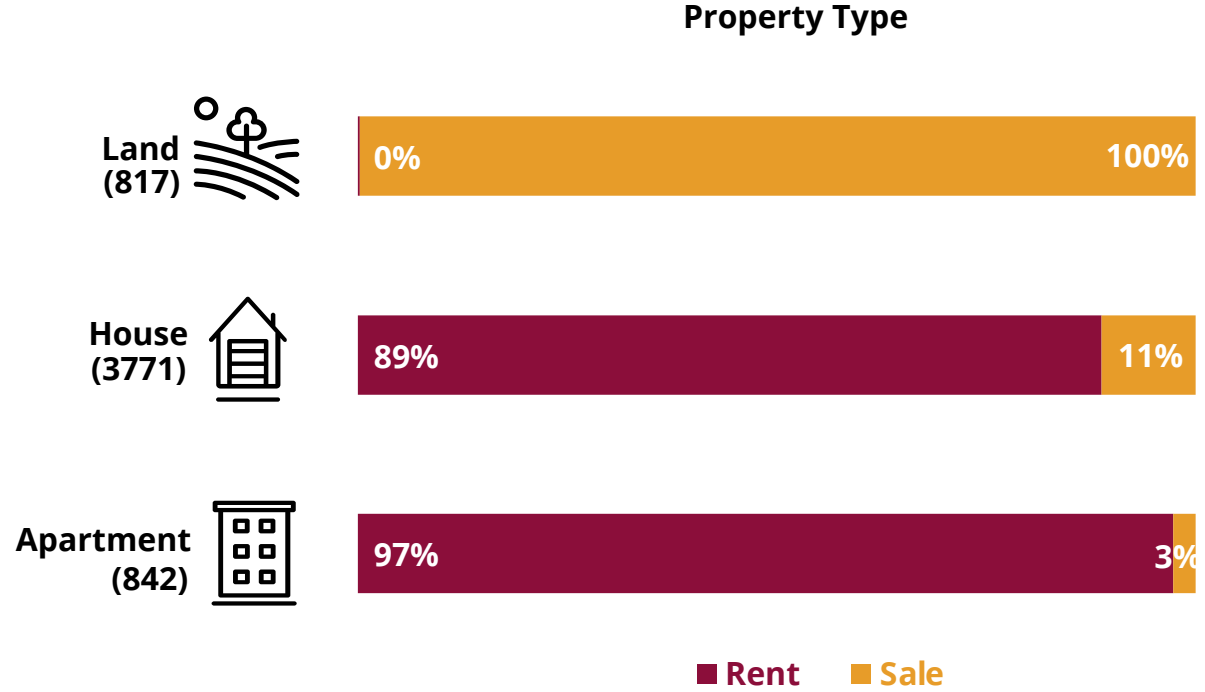
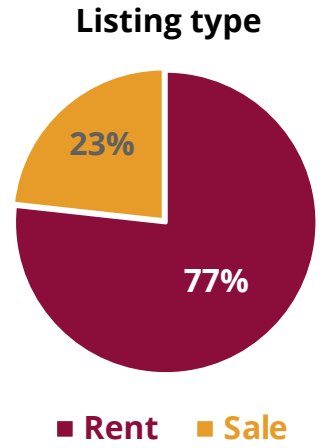
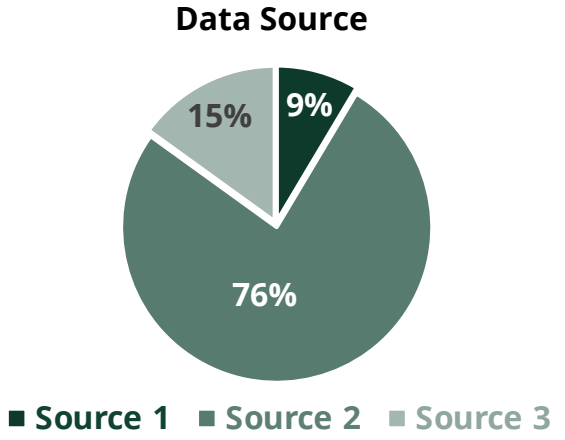


Rooms	2
Area	1200 m <sup>2</sup>

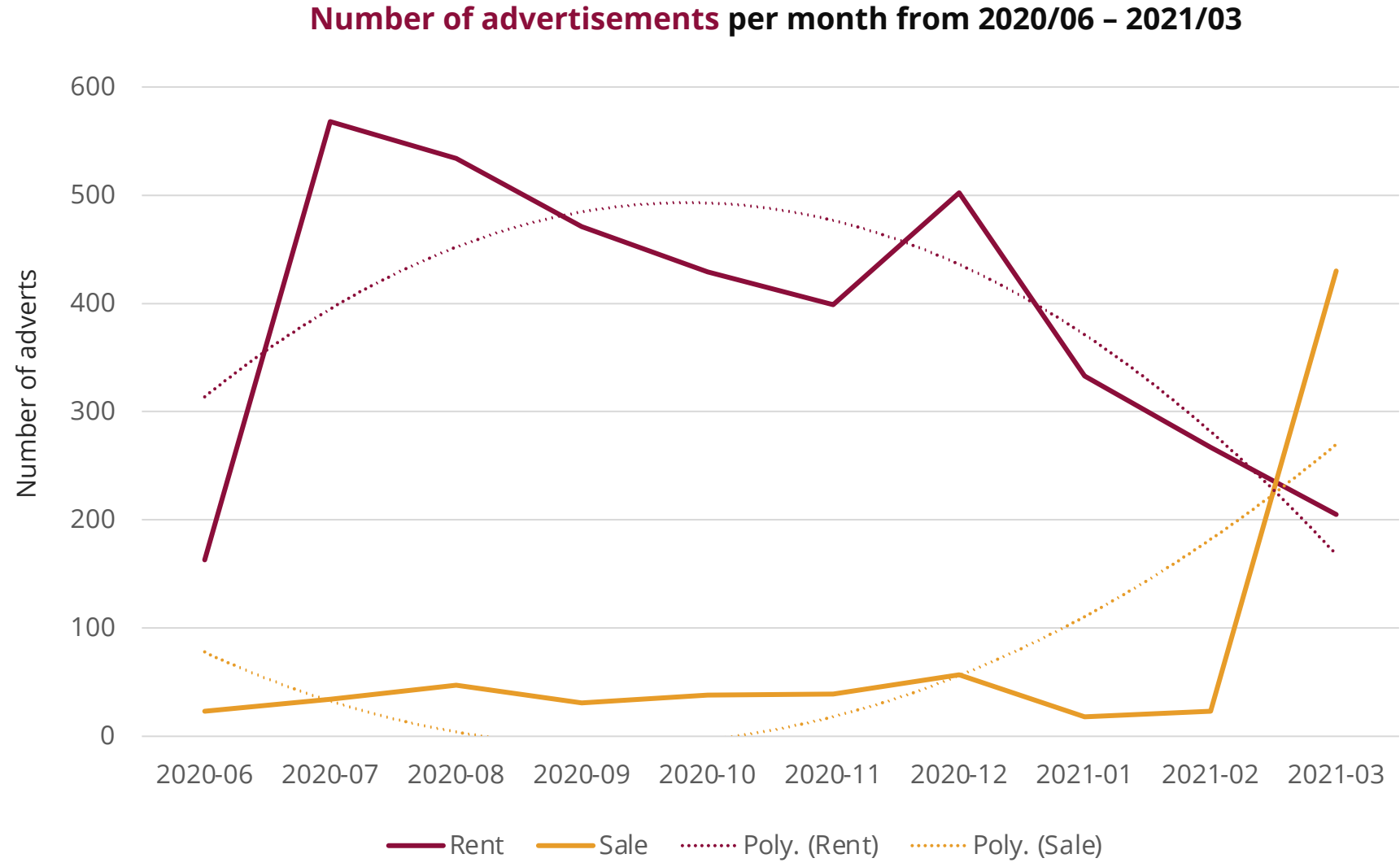
Collected data was cleaned and outliers removed, this process included removing extreme price outliers which could reflect data capturing errors. The final dataset consists of 5,430 properties from three data sources collected between August 2015 and March 2021 with the majority of adverts from 2020 and 2021. Most of the advertised properties are for rent (77%)

### Number of observations

(5,430 Advertisements from 3 sources collected between 2015-08-26 and 2021-03-23)

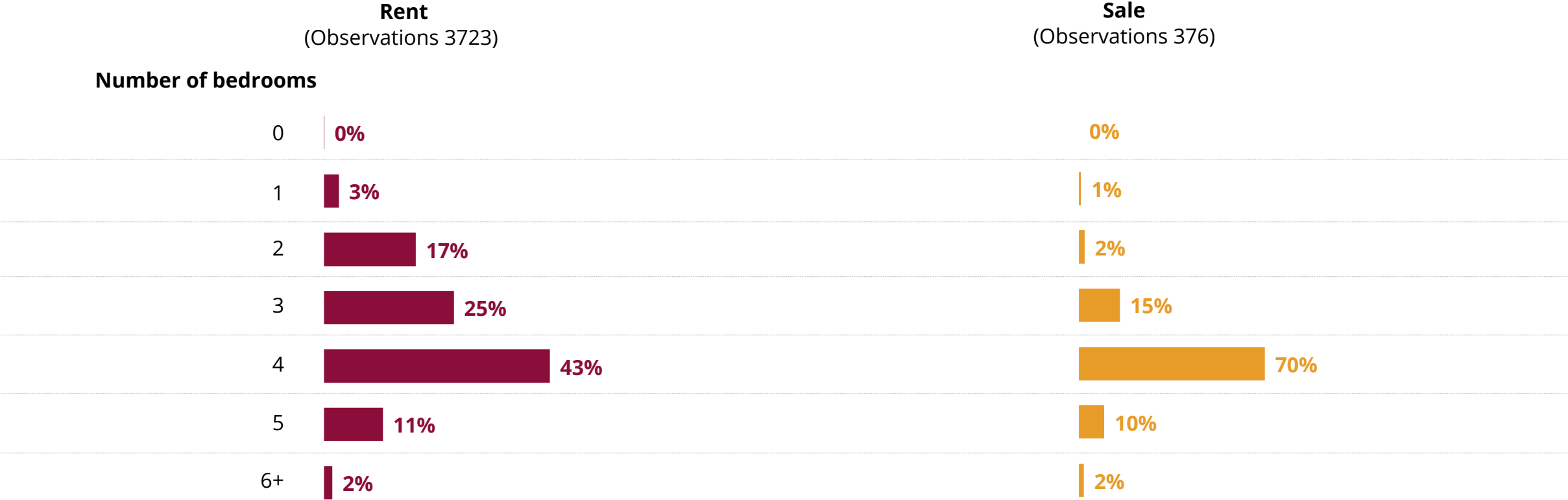


Considering the number of new properties advertised for rent and sale each month indicates that between June 2020 and March 2021, the supply of properties available for rent has declined. The supply of properties available for sale was stable between June 2020 and February 2021, with a large increase in March 2021



The average number of bedrooms per rental property is three or four. Whereas in the sales market, properties with 4 bedrooms dominate the market

### Number of bedrooms by listing type



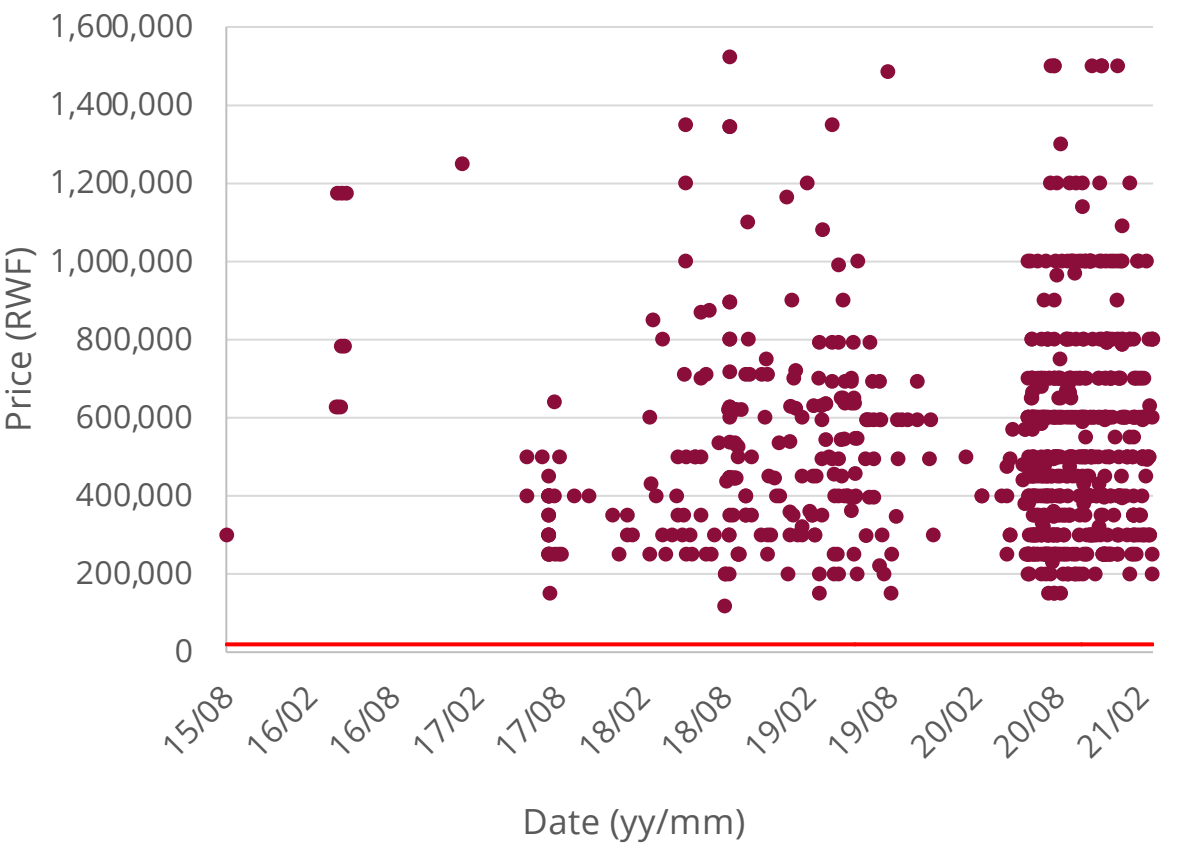
Most properties advertised have a rental price of between RWF 200,000 and RWF 800,000 per month. According to EICV 5 survey data less than 2% of urban renter households pay more than RWF 200,000 in rent per month, indicating the scraped data skew to the upper end of the market

Red line: Indicates median rental expense as per Living Conditions Survey 2016/17

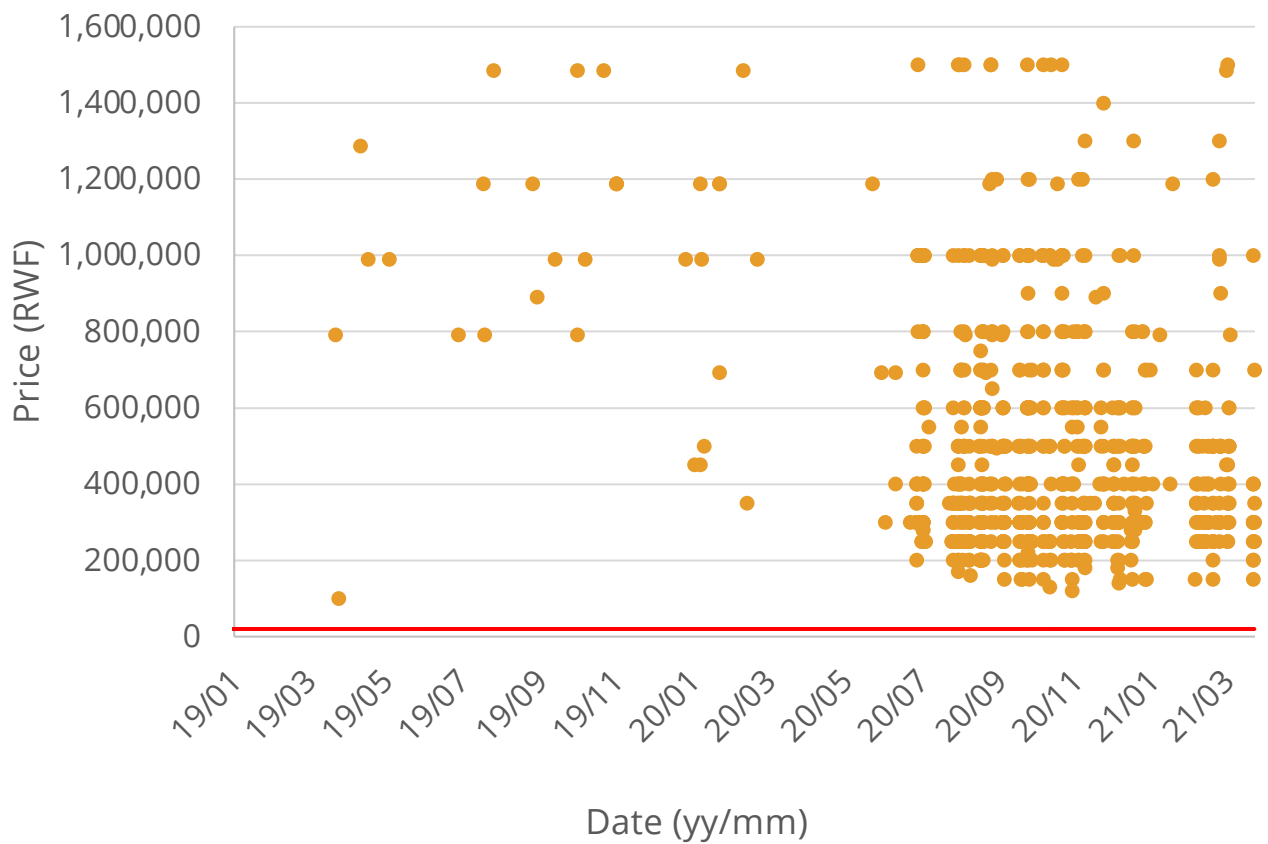
### Rental price (per month) per property type (2015-2021)

(Apartment: 819; House: 3346)

#### Apartment

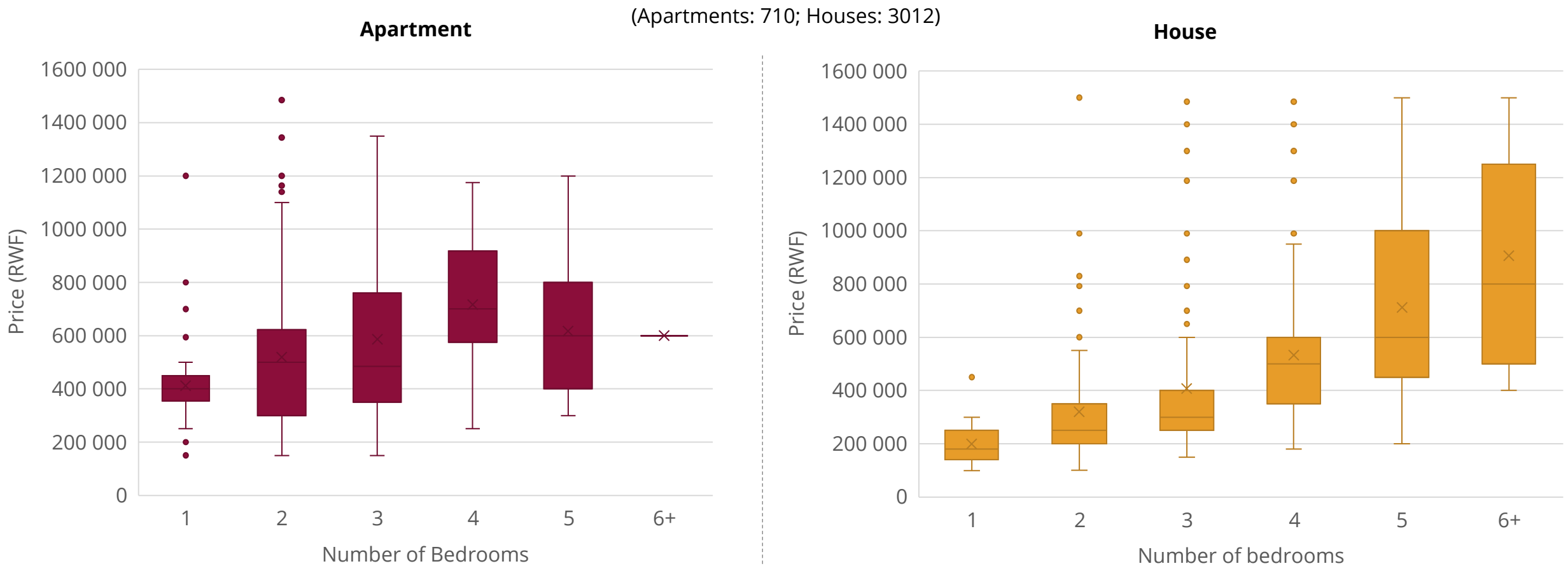


#### House



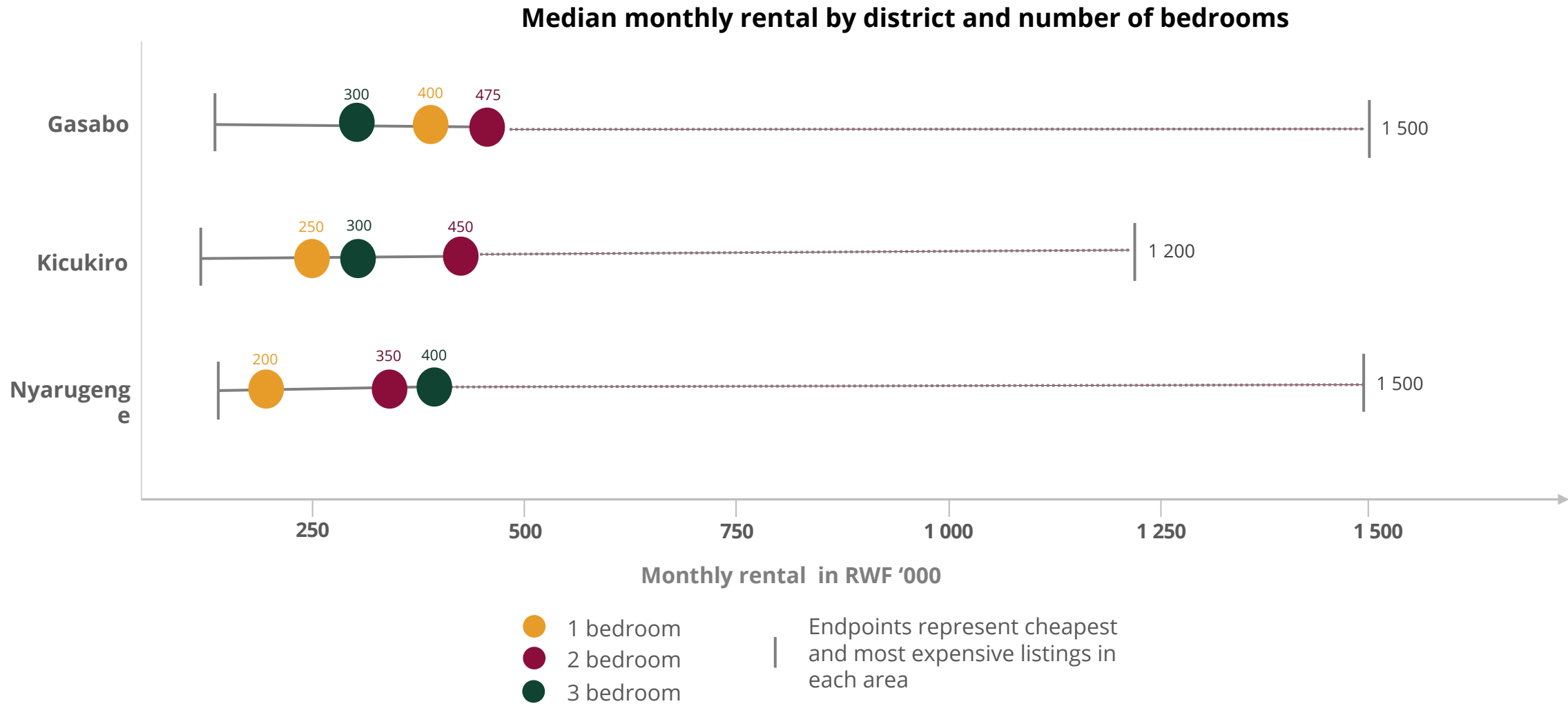
The median rental prices tends to increase with the number of bedrooms

**Rent price (per month) per property type and number of bedrooms (2015-2021)**





Comparing median rental prices for one, two and three-bedroom properties, in districts where data is available, indicates that in 2 of the 3 districts the number of bedrooms is not directly correlated to price. This is because the property price is dependant on other factors too, such as age, location and finishes, and not only the number of bedrooms



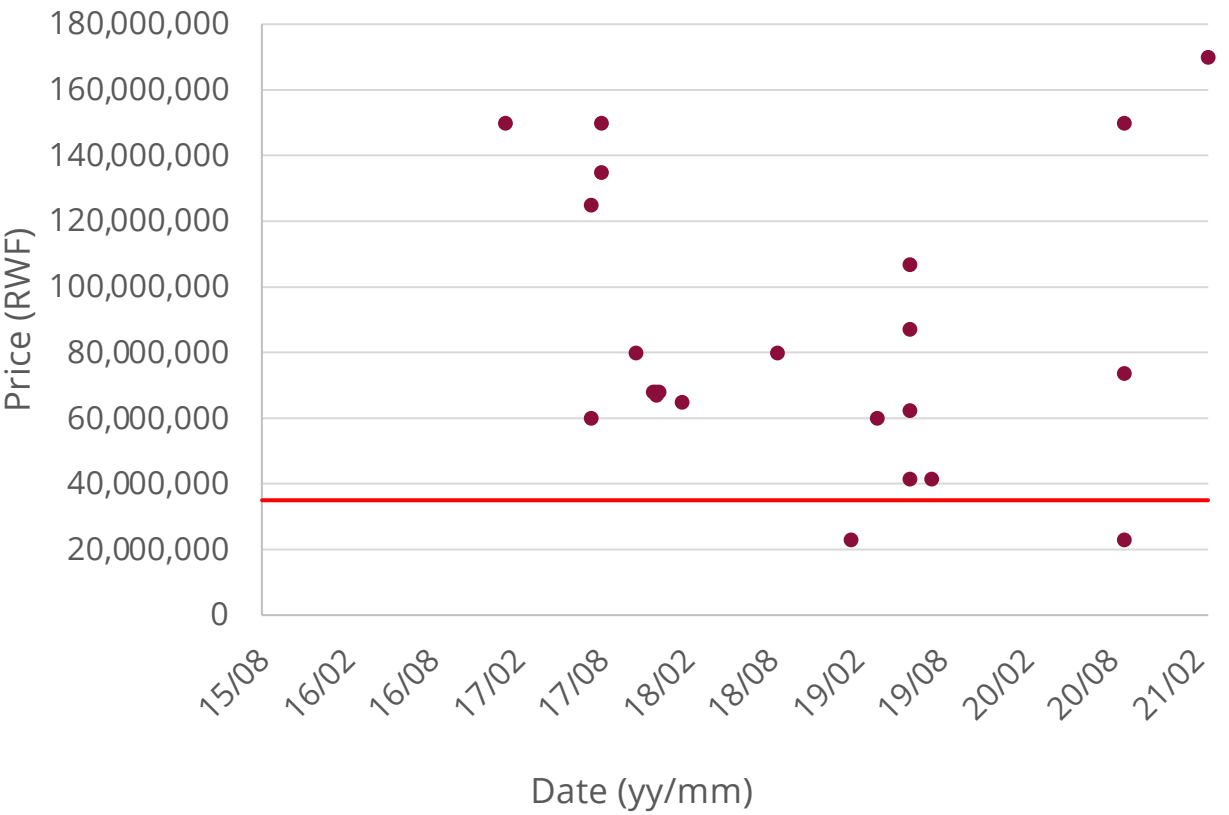
The bulk of houses advertised for sale are priced between RWF 10 million and RWF 70 million. The minority of properties fall below the affordable property prices threshold

**Red line:** Indicates highest priced property defined as affordable housing by Rwandan government

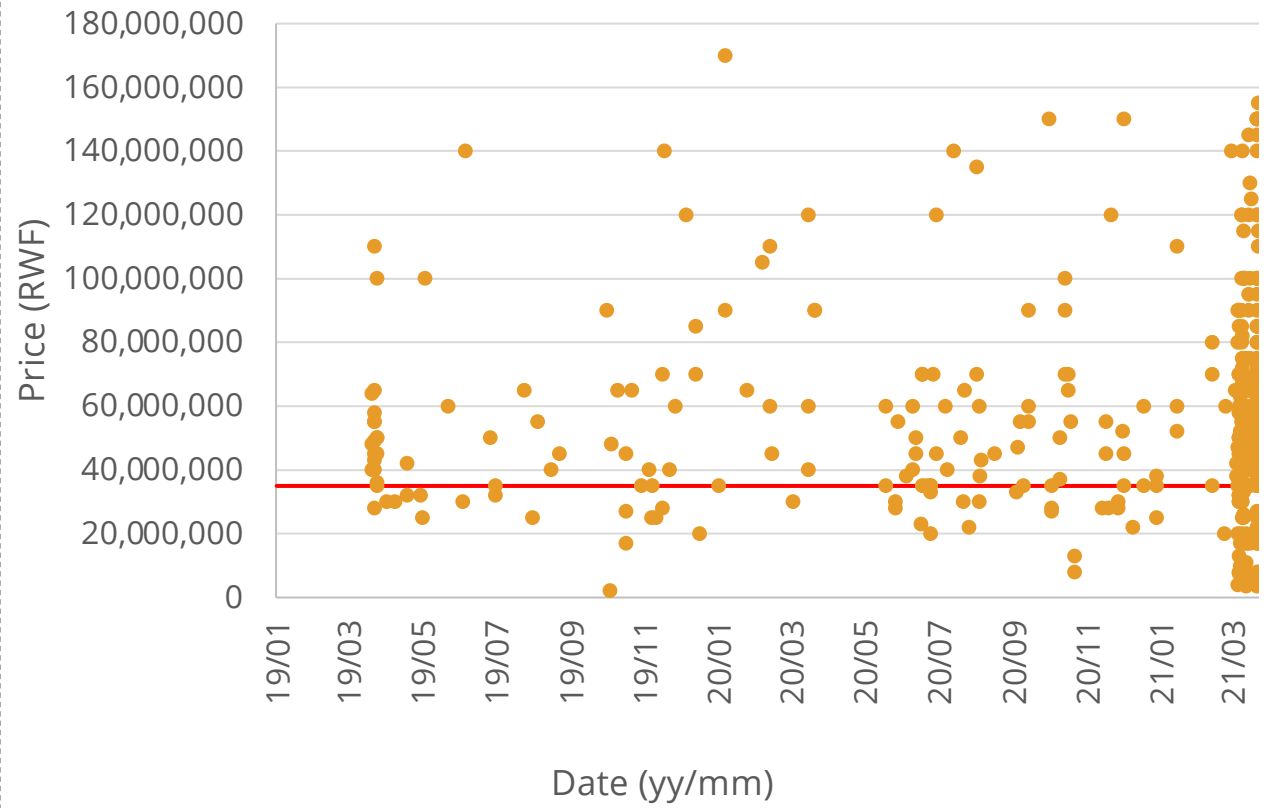
### Sale price per property type (2015-2021)

(Apartment: 23; House: 425)

**Apartment**

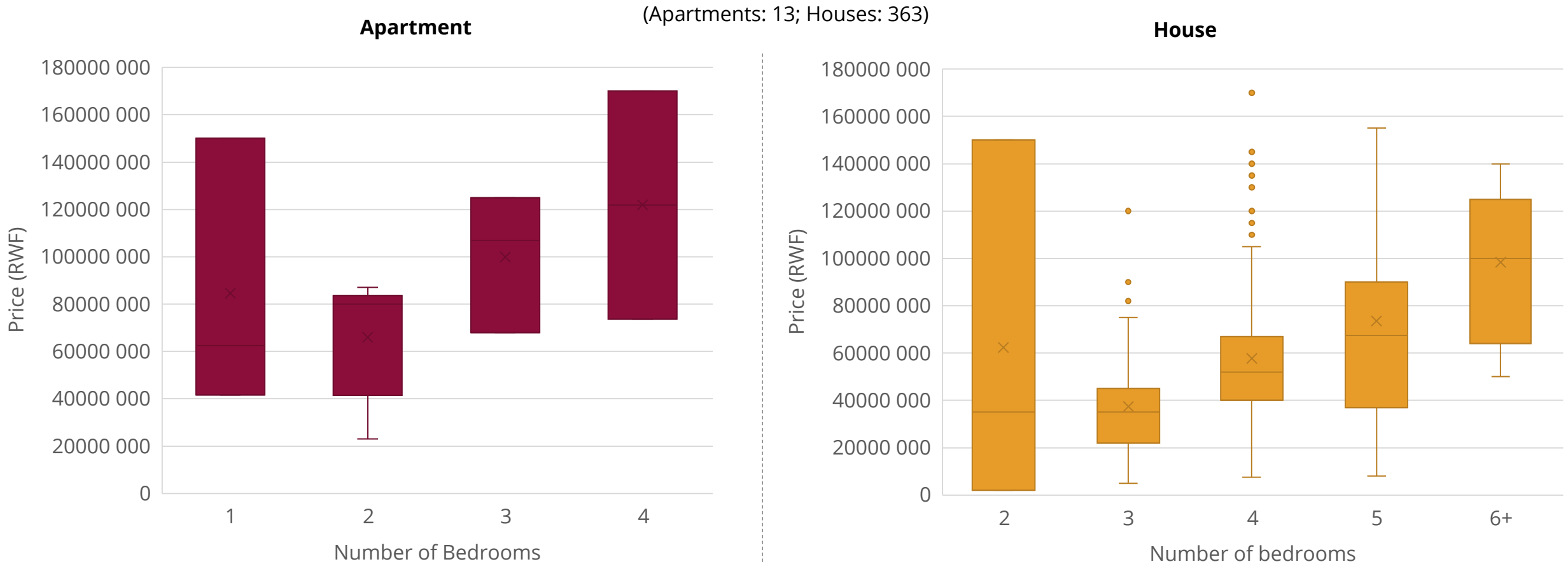


**House**



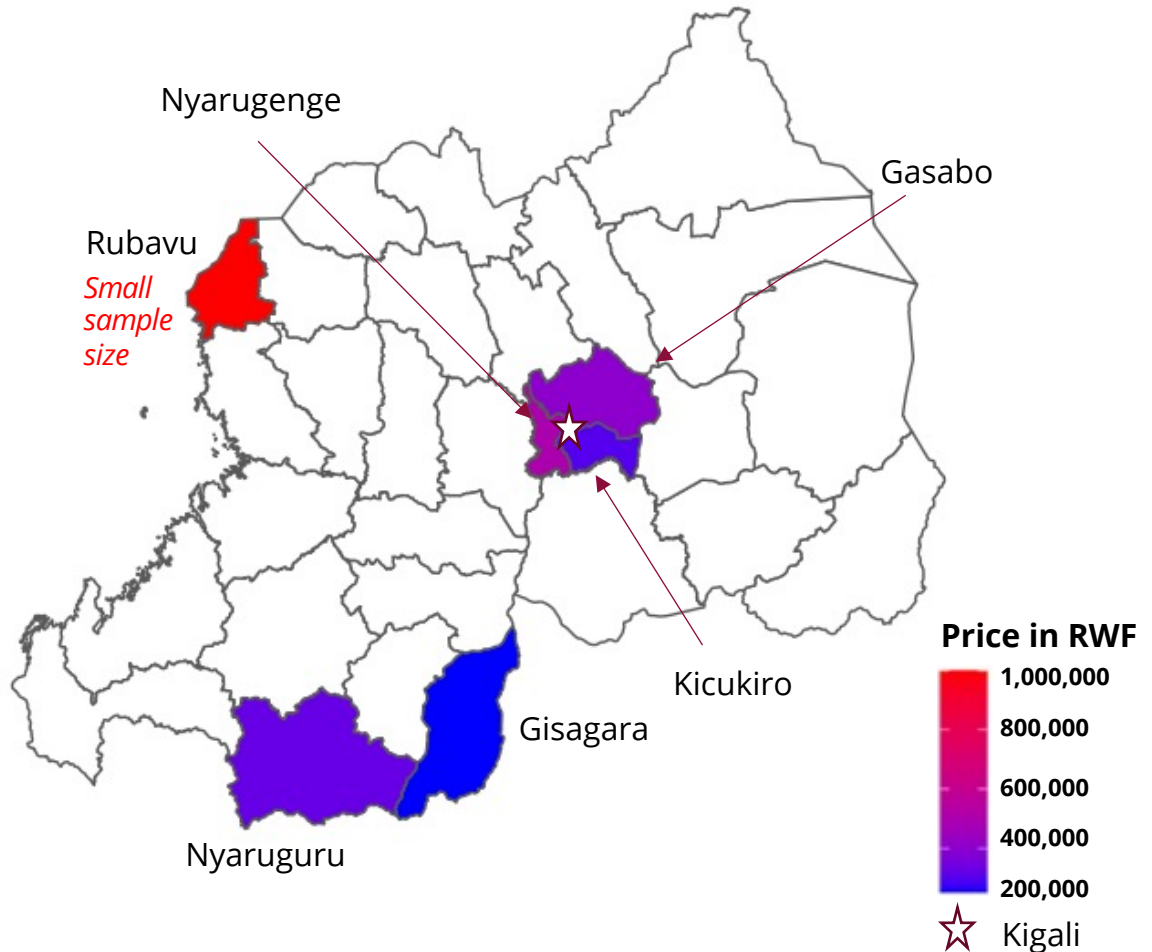
The dataset has a limited number of apartments for sale which also includes information on the number of bedrooms, making analysis difficult. The median sale price for houses suggest that the price per additional bedroom is in the region of RWF 10 million for houses with 3 bedrooms and more

### Sale price per bedroom per property type (2015-2021)

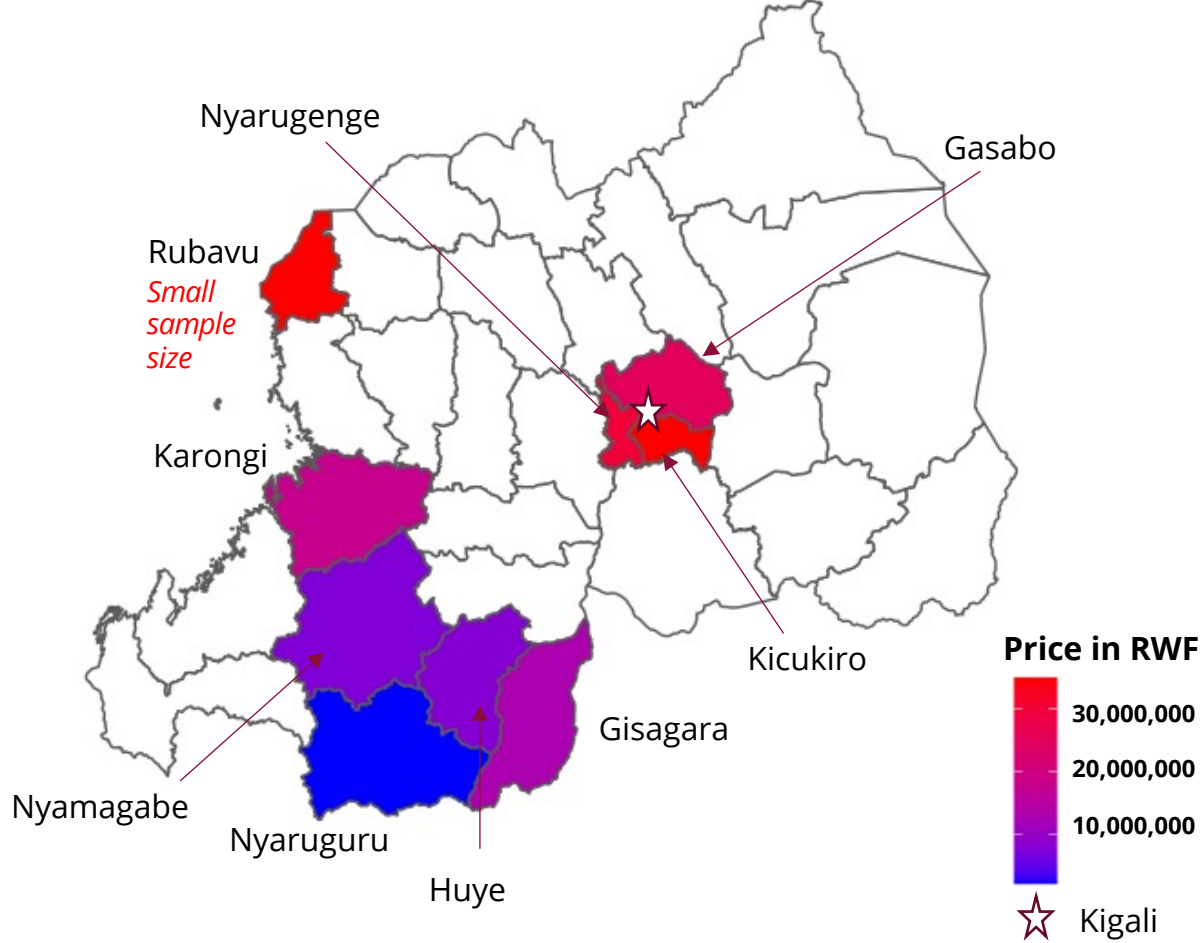


# Median sale and rent prices are higher closer to Kigali

### Median rent prices per district in Rwanda



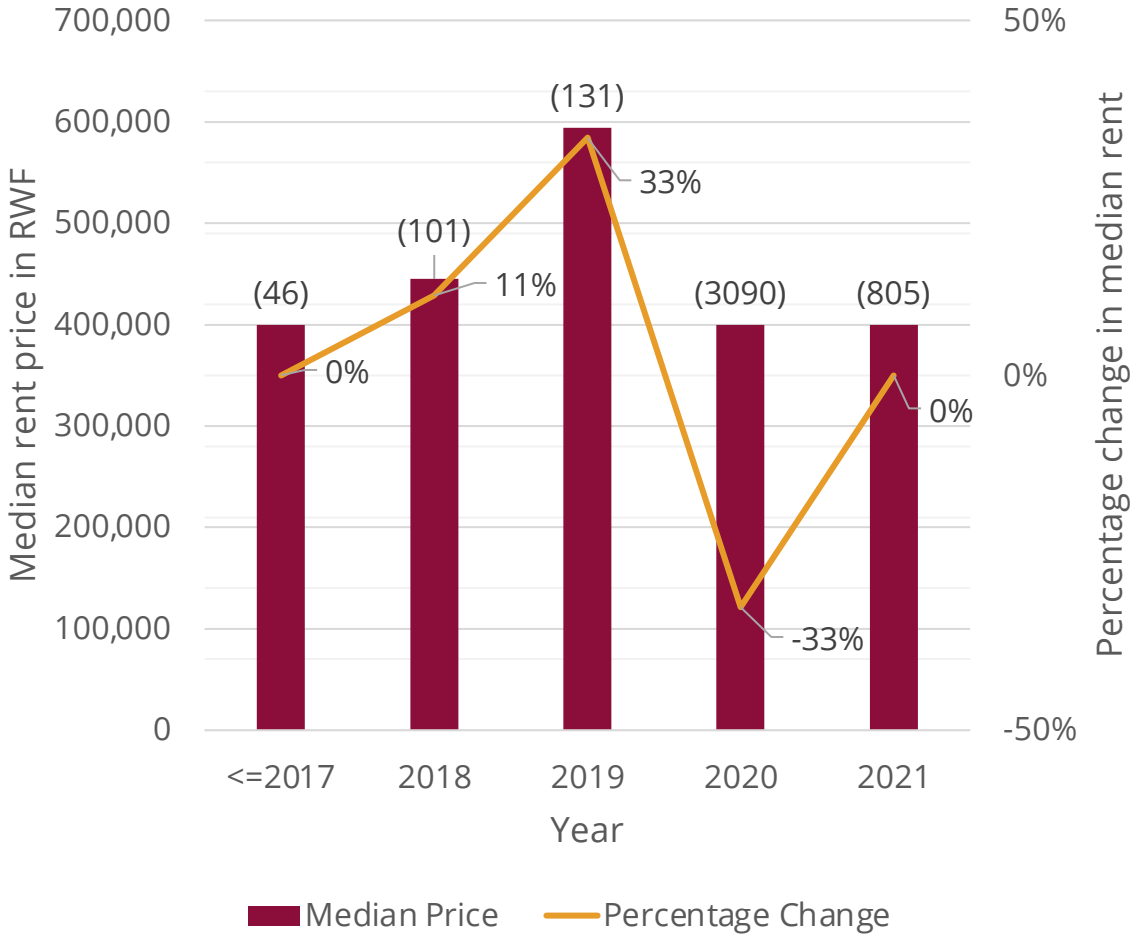
### Median sale prices per district in Rwanda



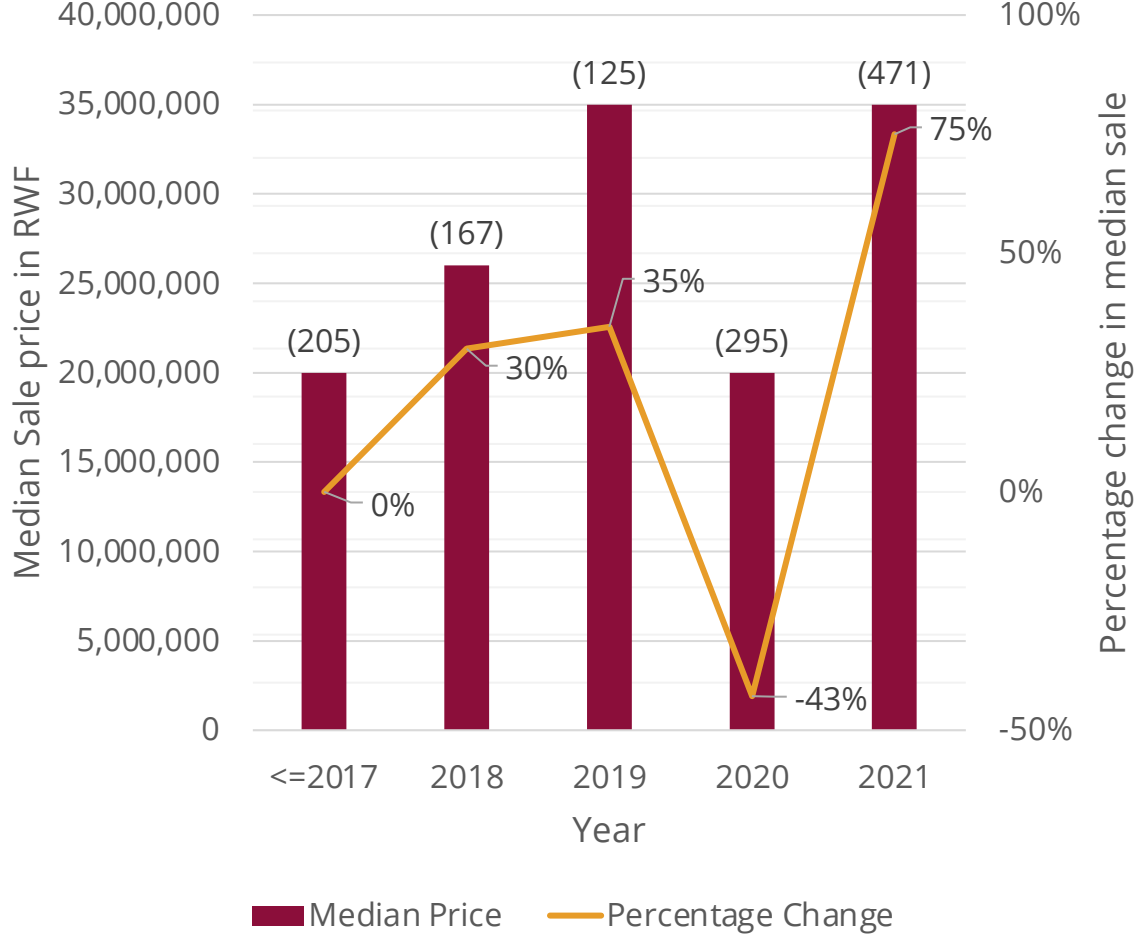
**Note:** Only one property is considered in Rubavu, thus leading to it being an outlier when looking at median sale prices.

Median rent prices have shown high growth rates from 2017 to 2019, followed by a negative growth rate year on year into 2020, with early signs of recovery in 2021. Median sale prices show a similar trend, however the median sale prices show an even stronger recovery into 2021 so far

**Year on year median rent price changes**



**Year on year median sale price changes**



# ADDITIONAL DOCUMENTS

The following documents are available as separate files:

1. Scoping Rwanda's Affordable Housing Demand & Supply: Full Report
2. Scoping Rwanda's Affordable Housing Demand & Supply: Executive Summary
3. Affordable Housing in Rwanda: Demand-side analysis
4. Affordable Housing in Rwanda: Housing Finance Access Frontiers
5. Affordable Housing in Rwanda: Housing Submarkets
- 6. Affordable Housing in Rwanda: Sale and rent prices in Rwanda's housing market**
7. A Review of the Data Landscape in Rwanda's Housing Ecosystem
8. Rwanda's affordable housing sector: overview of the institutions, policies and legislation that shape the sector