

Land Value Effects on Kigali Master Plan Implementation

David Nkurunziza

University of Rwanda, College of Science and Technology, Kigali, Rwanda

Abstract: The rapid urbanization of Kigali City is a direct consequence of Kigali City Master plan launch out in 2013. This paper sought to identify challenges related to land value in Kigali Master Plan Implementation system, analyze problems related to land valuation in Kigali, assess existing planning policies, and suggest alternatives for coping with highlighted problems using Nyarugenge district as a case study.

Key words: land value, master plan, valuation

1. Introduction

Land value is the value of a property including all its improvements and upgrades. It is estimated in accordance to location, socioeconomics, government regulations, desirability for residents as a place to live, vicinity to schools parks and recreational facilities, roadway accessibility, and distance to retail establishments. A parcel of land has a value based on surrounding improvements the community has made, and an increase in the tax on land allows the community to keep a greater portion of the value generated by public projects [1].

The Master Plan is a comprehensive long term plan intended to guide growth and development of Kigali City. It understands Kigali's existing conditions and issues to provide recommendations and proposals for Kigali's bright and progressive future. Through comprehensive studies it determines the City's growing needs, and provides clear goals and strategies to direct future growth of Kigali City. Helps the City understand options for growth and its implications so

that informed decisions are made by City Leaders and Stakeholders [2].

Since 2003, year of master plan launch out saying that it will have been implemented in 2020; eleven years ago, more than half of time pass, without even implementing 40% of the planned projects [3]. Currently, the Kigali Master Plan implementation is characterized by challenges which are the causes of slower movement and temporal failure of some evaluated places which were decided to be implemented like Payage (in Kiyovu cy'abakene), Rugarama in Nyamirambo Sector and Kavumu in Mageragere Sector.

However, implementation is held on land, land value is important to assess and recognize its impacts and effects on Kigali master plan implementation. More the value of land increases, the more citizens fail to buy plots, leave the places, land remains bare; the slower movement of Kigali master plan implementation is experienced.

The main objective of the paper was to assess the land value impacts and its effects on Kigali master plan implementation in order to generate measures to be applied for accelerating the implementation of Kigali City master plan and to achieve the successful goals.

Corresponding author: David Nkurunziza, Assistant Lecturer, BSc (Civil), MSc (Geomatics), research areas/interests: land administration/management and transport. E-mail: david.nziza@gmail.com.

2. Materials and Method

The study was conducted in one of the District of the Kigali City Council by collecting the data within three selected sectors of Muhima, Nyamirambo and Mageragere respectively. The methods of data collections included paying the site visits for assessing the progress of Master plan implementation, interviews with and questionnaires distributed to local Authorities and residents of the site or nearby the site.

In addition to that documentations about Kigali city proposed master plan, Kigali city master plan reports and one stop center consultation were done for better effects assessment.

3. Results

3.1 Study Area Description

3.1.1 UBUMWE Site

The site also known as Payage site, it is a prepared land on which there are newly constructed asphalt roads bordered by electrical street lighting; all were developed after the site valuation and expropriation activity. The land is unoccupied except on its top part at which institutional building of RSSB has been raised and hosts some government institution of RNRA and MIDIMAR.

3.1.2 AKUMINIGO Site

The site regarded as a non-expropriated land, people are still residing on the site, fields contain their arable crops, and all building structures are still in place; no demolishment has been done.

On this site, there are three major public infrastructures comprising; a secondary school, a health center and a REG electrical transformation.

3.1.3 KAVUMU Site

The site is in the southernmost sector of the Nyarugenge District. Its northern parts are connected to the CBD by an earth road, which pass via Nyamirambo Sector.

The farming activities visibly; are conducted on a large scale along the wetlands to the north and to the west.

The site of almost 800 ha in the northwest of the District has been allocated for the relocation of the central prison. It also includes the special zones locally for the relocated to avail the land for the new under construction central prison.

3.2 Results Presentation

3.2.1 Land Value Factor

From the questionnaire and interview about land value as one the factor to KMPI key results are compiled in Fig. 1.

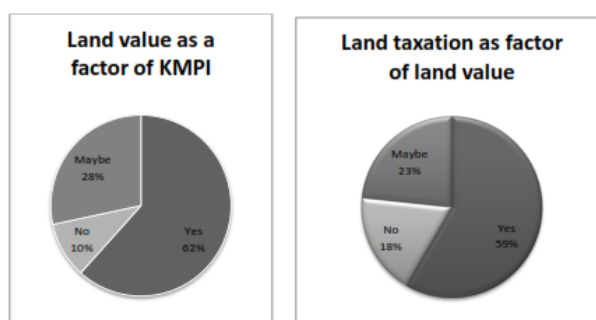


Fig. 1 Compilation of results about land value and taxation.

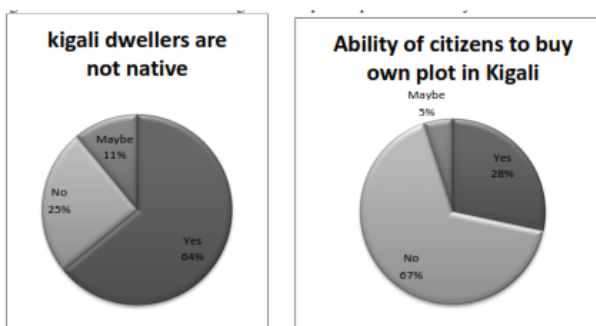


Fig. 2 Compilation of results about nativity and ability to buy land.

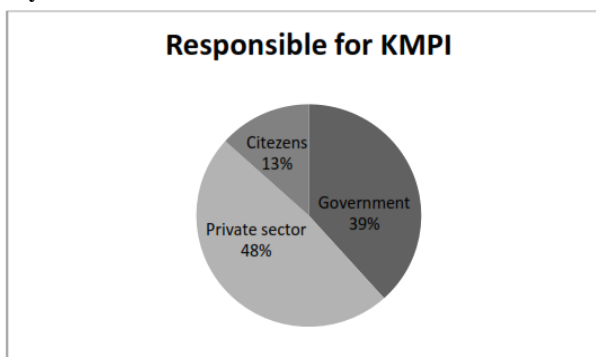


Fig. 3 Responsible for KMPI.

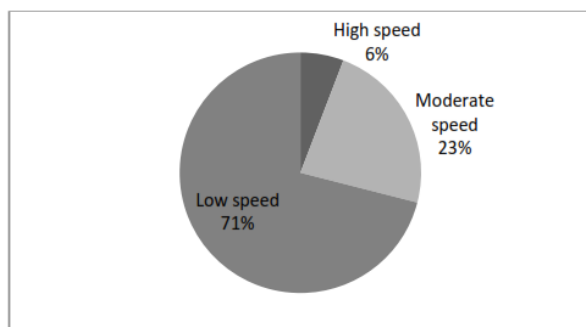


Fig. 4 Rating the KMPI

Response	Remark	Number of respondents (%)			Total (%)
		Payage	Rugarama	Kavumu	
Yes	It will make Kigali attractive	28	25	20	60
	Attraction of tourists	16	15	26.6	
	Citizens will be proud of the city	8	10	6.6	
	Economic growth	8	5	13.3	
No	No sufficient land	20	10	13.3	40
	Poverty	4	15	6.6	
	Relocating people	12	15	13.3	
	It was sufficiently developed	4	5	0	
Total		100	100	100	100

Fig. 5 Needs for KMP

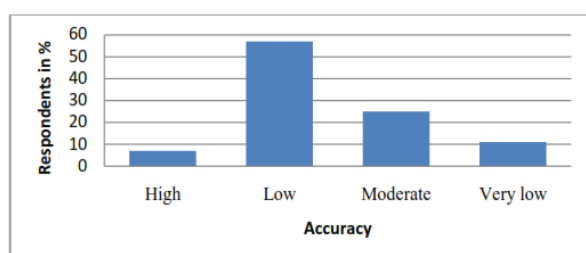


Fig. 6 Assessment of Accuracy in Land Valuation.

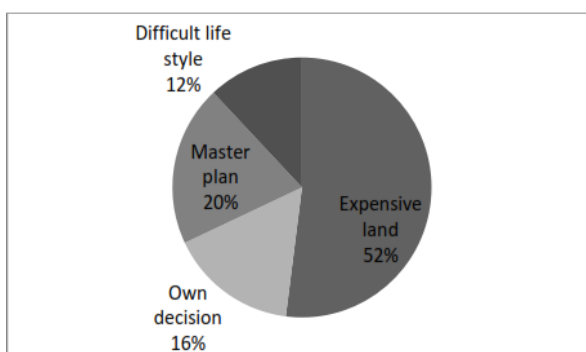


Fig. 7 Reasons of Kigali City Exodus.

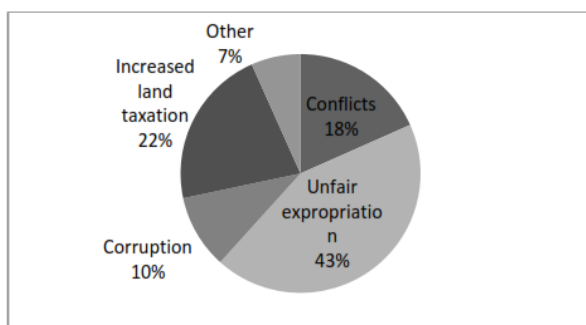


Fig. 8 Impacts of land value on KMPI.

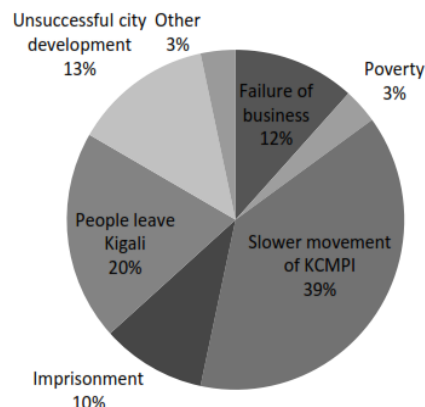


Fig. 9 Effects of land value on KMPI.

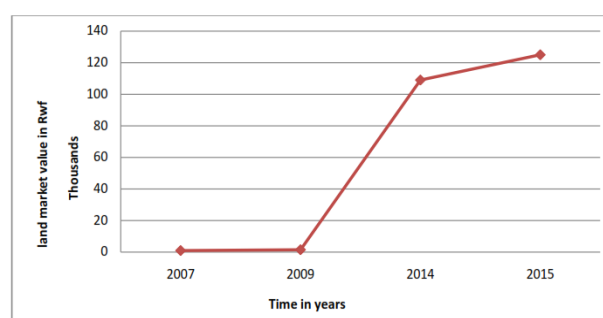
4. Discussion

4.1 UBUMWE Site

The site has been valued and expropriated in 2007-2008, development phasing 1 recommended for the CBD was proposed based on priorities such as the need to attract investment and create employment.

By the time the expropriation and land valuation legislation were in place. Expropriation of 336 households from Ubumwe cell in Kiyovu Sector, which borders Kigali's city center, caused uproar when the Rwanda Social Security Board (RSSB) with the help of Nyarugenge District sought to make way for the new central business district envisaged in the Kigali City Master Plan.

Conflicts arose based on how the activity was handled about valuation of land of the expropriated of families. The compensation value offered, excluding structures built on the land, was around Rwf 1,000 per square meter, whereas land nearby was fetching Rwf 77,000 per square meter on the market.

Fig. 10 Fluctuation of land market value per m² at UBUMWE.

In an effort to prevent further such controversies, the Kigali City Council intervened in 2009 to fix land prices paid by the government in cases of expropriation, initially to levels that would ensure adequate compensation to persons to be expropriated. This was regulated by Ministerial Order No. 001/16.00 of 23/11/2009 determining reference of land prices in the City of Kigali, which established prices for land in different locations of Kigali based on consideration of its market value. In Kiyovu where previous expropriation had caused such a disturbance, the cost was fixed at Rwf 16,000 per square meter.

These prices, however, were contested by government and investors. When combined with the cost of compensating for the destruction of manmade structures, which the government was now also legally obliged to pay according to the expropriation law, the price of expropriation became significantly higher.

With private investors reluctant to pay such prices to acquire land, the Ministry of Local Government (MINALOC) urged land officials to reassess the prices, with the effect that in September 2009 the list was revised. In Kiyovu, prices were slashed to RWF 1,531 per square meter. As one land official the New Times Newspaper interviewed noted, “We were asked in no uncertain terms to review this list in view of the need to implement the Master Plan and generate economic development.”

Regulatory Council of Real Property Valuers (RCRVP) maintained that government recommendations in 2009 capped compensation for a square meter of land at Rwf 2,297 in Kiyovu, Rwf 1,355 in Nyarutarama, Rwf 1,470 in Kibagabaga and Rwf 1,240 in Gaculiro, whereas in 2015 the valuers told the researchers through interview that a square meter in the upscale city suburbs fluctuates between Rwf 100,000 and Rwf 150,000 when sold on the market.

4.2 AKUMUNIGO Site

Based on the existing context, the opportunities and

constraints as well as the proposed vision, a development concept has been proposed for Nyamirambo Sector. The key proposal of the concept plan is to intensify the existing housing projects in Akumunigo and Rugarama as high density residential townships to meet the immediate housing needs of the CBD.

The research was focusing on Rugarama cell where the government expropriated the site to meet the immediate housing needs of central business district (CBD). This zoning will hold R2, R3, and C2 those are affordable housing.

The ongoing project of Akumunigo covering an area of 53 ha designed to develop plots of land for low and medium cost residential development. It is a project that has been partially funded by a PIGU-WORLD BANK grant to the tune of RWF 507,196,665 for the development of all infrastructural requirements for the area. The City has engaged in partial expropriation of the area in order to avail land for the creation of the ideal future residential hub. This is a unique project in its consideration of integrating the already existing population in the upgrading scheme. It will also be focusing mainly on housing low and medium income earners and will apply an element of high densities in order to ensure maximum yet sustainable use of the land. In its element of incorporating existing developments major services such as a hospital and school are already provided for in the existing infrastructure.

The project will relocate 349 households living on 14 ha of land which were proposed to be given the affordable houses among those to be built on that site according to their evaluated properties.

The total area of the site includes 39ha of the government. One of the readers of Kigali City in charge of infrastructure suggested that valuers estimated the land on Rwf 8037 per square meter; the plot of 30 to 25meters was valued on Rwf 6,027,750.

There are 39 households who are claiming nowadays as suggested the leader of Kigali City in

charge of infrastructure; the evaluation did not satisfy local residents where they refused to sign the agreement saying that their properties were poorly estimated.

Respondents told the researchers that the site expropriation was done in two phases, phase one in which the expropriation was focused on land property where valuers considered the area of the plot and its existing plants, phase two in which the expropriation was dealing only with infrastructures developed on the site before.

Those respondents also announced that the expropriation was started in September 2014, but from that time people locally are still waiting the results and they are doing nothing on their land because they were told that they were going to be relocated early.

Thus, inhabitants of the site were stopped to create or redevelop their infrastructures such as Houses, roads and other facilities related and they are afraid for doing their cultural activities like farming because they are waiting for their exchanges and thinking about where they will be relocated after.

Regarding on the time passed and a number of citizens who are claiming (11%) it may be thought that there is a problem of land valuation which enhances the expansion of the time to be used when implementing Kigali master plan.

4.3 KAVUMU Site

Mageragere is largely unoccupied, except for the few housing settlements and small public facilities along the relatively flatter slopes of the Sector. Farming occurs on a large scale along the wetlands to the north and to the west. A 800 ha site in the northwest of the Sector has been allocated for the relocation of the central prison.

The site to build the Prison is located at Kavumu cell, there are 38 plots that cover 800 ha which were expropriated in March 23, 2015. The local people have claimed, they were waiting their money but it is not sufficient as they will be relocated by finding their

accommodation using estimated value from their land properties after being paid. The government of Rwanda engaged private sector in expropriation in Mageragere sector the people were shouting because those companies used the unskilled valuers which are inexperienced in the expropriation, so until the end of April, 2015 the local people stayed there.

During the interview some respondents told the researchers that they were stopped to perform their social activities like farming as 70% of the area are reserve for cropping, they are stopped to rebuild their houses till they will get their compensation return. In such way the government should inform the owners the time for relocation for accelerate the implementation of predicted master plan at the time.

Mageragere Sector is envisioned to become the gateway to Kigali from the future Bugesera Airport in the south, with large flourishing townships in close proximity to the new City Centre. Mageragere would also become a tourism and recreation destination offering scenic resort and adventure sports activities leveraging on the scenic views, unique natural assets and its strategic location within its surrounding context. As those are the predicted master plan, Mageragere sector should be quick valued for preparing the appropriate zoning which will meet all needs of master plan.

5. Conclusion & Suggestions

5.1 Conclusions

The aim of this research was to identify challenges related to land value on Kigali master plan implementation and suggest alternatives for coping with highlighted problems using three Sectors selected in Nyarugenge district: Muhima, Nyamirambo and Mageragere Sector as case study.

Findings showed that most of expropriated sites faced problems relating to the conflicts occurred when expropriating the sites based on the land value that is increasing day to day due to rising population in

Kigali City which causes informal settlement, valuation system, location improvement, etc

Land is given a low value during expropriation for urban redevelopment. While expropriation is recognized by public regulations, it is not well accepted by residents especially in its content related to land compensation. Residents consider that their land is undervalued during compensation.

Furthermore, compensation is paid after long delays without taking into account price fluctuation.

The research provided information that land value is among factors contributing to the Kigali city master plan implementation delay at some evaluated sites; in a hundred per cent of respondents, 60% confirmed the need of Kigali city master plan, in 40% who refused the need of KCMP, 15% said that Kigali do not have sufficient land to be planned. Because 60% announced that Kigali is dwelled by outsiders, this shows the scarcity of land enhancing the raising of land market value; it is why 67% of respondents are unable to buy any plot of land in this city. The different impacts resulted on this research associated to land value on Kigali city master plan implementation are: unfair expropriation (43%), increase of land taxation (22%), conflicts (18%), corruption (10%) and any other (7%).

The effects of land value on Kigali master plan implementation and their occurrence were presented as slower movement of Kigali master plan implementation firstly likely to occur (39%), then leaving in Kigali of citizens (20%), unsuccessful city development (13%), failure of business (12%), imprisonment (10%), poverty (3%) and the remaining 3% was reserved for other any effects.

5.2 Suggestions

Establish organs to approve and supervise expropriation for public interest: With the gap left by the repeal of the land commissions, there is a need for a designated government organ to supervise the different projects of land valuation and ensure compliance with the law and smooth coordination. It

is recommended that a separate approval authority also be established that would be able to evaluate the merits of an application for expropriation, including its potential impact on the livelihoods of those to be expropriated, and render an independent decision.

Define “market value” and criteria to establish it: The land law would benefit from a clear definition of market value that is based on what a given property would be able to sell for on the open market through a willing buyer-willing seller transaction. Clear criteria should guide the process for establishing market value drawing on best practices in the valuation profession, which include reference to sale prices for similar properties in proximate locations. This could be addressed through reform to valuation legislation, rather than necessarily needing to be spelled out in the expropriation law. Just compensation should also be redefined to ensure that it is determined by valuation carried out at the time of the expropriation decision reflecting the market value of the property. This will help in people’s relation at time and acceleration of master plan implementation at the time.

Limit the practice of valuation to qualified independent valuers: To avoid potential conflicts of interest and collusion between officials and investors, only independent valuers certified by the Institute of Real Property Valuers should be qualified to conduct valuations of property for purposes of determining just compensation. Selection should also be done to ensure that the valuer does not have any conflicts of interest that could impede his or her ability to conduct an objective valuation applying state-of-the-art, best practice principles of their profession. This will result on conflicts reduction between people and valuers.

Include consideration of livelihood impacts in determining compensation: The “costs” born by expropriated families often go far beyond the market values of their properties and include costs associated with livelihood and social disruptions associate with having to find a new home away from one’s employment, community, schools, and possibly

family. This will help development of new cities at different sites such as Ruyenzi in Kamonyi district, Nyamata in Bugesera district. Sometime when the expropriation would be well performed these citizens should be able to settle in Kigali.

Strengthen the valuation profession in Rwanda:

Investments in providing a rigorous education to valuers (including continuing education opportunities) and providing incentives to attract students to the valuation profession would both raise the quality of valuations done and the pool of qualified valuers. Likewise, certification standards by IRPV may warrant review to ensure valuers possess the necessary qualifications to conduct fair and accurate valuations while a review of certification of processes and documents used may be warranted to ensure the authenticity of valuers.

Land Valuation and Expropriation on time: The relocation of any site should only be processed nearly by the establishment of the project; it is not necessary to relocate people and demolish their properties and wait a long time without recognition of the commencement of the project.

As the target is to accelerate the movement of implementation of Kigali master plan the government should balance the land market value with the East Africa for attracting the big Investors in our city where those investors may contribute to development of our City.

Another suggestion, the government of Rwanda should allow investors to go in discussion with the people (land owners) and government be there as the arbitrary after bargain or after agreement.

In this way the people will gain great income and also the government will gain the taxes from those new infrastructure developed, and the movement of implementation will be improved and as the important issue the Kigali city will be successful in its goals at time.

Acknowledgement

Thanks are due to the local residents of the visited sites, Nyarugenge District various staff in one stop center and chief of villages.

Abbreviation & Acronym

KMP: Kigali Master Plan
 KCMP: Kigali Conceptual Master Plan
 KMPI: Kigali Master Plan Implementation
 MINALOC: Ministry of Administration and Local Government
 RNRA: Rwanda Natural Resources Authority
 MIDIMAR: Ministry of Disaster Management and Refugee Affairs.
 IRPV: Institute of Real Property Valuer
 RCRVP: Regulatory Council of Real Property Valuers
 CBD: Central Business District
 REG: Rwanda Energy Group
 RSSB: Rwanda Social Security Board
 Rwf: Rwandan Francs
 NISR: National Institute of Statistics of Rwanda
 PIGU: Projet d'Infrastructure et de Gestion Urbaine

References

- [1] Adams, *Urban Planning & the Development Process*, Department of Land Economy, University of Aberdeen, (1994)
- [2] KCMP, Kigali Conceptual Master Plan Report, Kigali, 2013.
- [3] NIS, National Institute of Statistics of Rwanda Report, Kigali-Rwanda, May 2014.