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Original Article

Land Informality and Financial Exclusion Contributing to The Mortgage Dilemma in Uganda's Housing Sector

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ABSTRACT

The limited availability of affordable housing is one of the top development priorities in Uganda. The country has a total deficit of 2.4 million housing units. Approximately 70% of those who suffer from housing insecurity in Uganda fall within the low-income bracket. While mortgage financing options could help a number of people purchase houses, Uganda's mortgage market remains underdeveloped. The mortgage market contributes to less than 1% of GDP, and is largely inaccessible to low-income earners. The primary constraints include the high interest charges (16% - 24%), a lack of secure land tenure systems, widespread informal employment (which involves over 75% of the entire labour force), and low financial literacy levels. The purpose of the study was to understand the accessibility of mortgage financing to low-income people in Uganda and to identify whether land tenure systems and socioeconomic issues affect exclusion from the market. The study employed a desk-based qualitative approach to document a review of academic literature and policy developments, to understand the institutional, legal and economic obstacles to achieving inclusive housing finance. Overall, the findings noted that policies on land tenure continue to reflect historical as well as current patterns of social exclusion, as ongoing challenges with Mailo and customary tenure continue to stop people from accessing land titles securely. This encourages banks to step away from providing credit. Formal housing generally remains unattainably expensive due to speculative development and constraints on affordable. New concepts to help low-income people may include micro-mortgages, digital credit scoring and incremental loans.

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INTRODUCTION

Access to affordable housing in Uganda remains a pressing socio-economic challenge, particularly for low-income households (Nakiwala et al., 2022). Despite an increasing demand for decent shelter—driven by population growth, rapid urbanisation, and youth bulge—the supply of affordable housing remains grossly inadequate (King et al., 2017). Uganda's housing deficit, currently estimated at 2.4 million units, is most acute in the low-income segment, where households are structurally excluded from formal housing finance mechanisms such as mortgage lending (Bondinuba, 2016; Nilsson, 2017). Mortgage financing, when well-structured and inclusive, can be a transformative tool for equitable home ownership (Udohaya, 2025). However, Uganda's mortgage market is nascent and ill-suited for the majority of its population, particularly those employed in the informal sector or lacking legally recognised land tenure (Locke & Henley, 2016).

The constraints facing low-income mortgage access are multidimensional. These include macroeconomic constraints (e.g., high interest rates, inflation volatility), institutional barriers (e.g., limited credit risk assessment for informal earners), and critically, land tenure insecurity (Nakiwala et al., 2025). Uganda's land ownership system operates under a plural legal framework defined by four statutory tenure types under Article 237(3) of the 1995 Constitution and the Land Act: Mailo, freehold, leasehold, and customary (Nakayi & Kirya, 2017; Sabiiti, 2021). Each of these tenure types presents unique challenges and implications for mortgage accessibility.

Mailo tenure, rooted in the 1900 Buganda Agreement, is predominantly found in central Uganda and grants perpetual ownership. However, it also creates a duality of rights between landlords and tenants (lawful or bona fide occupants), many of whom lack formal documentation (Oryema & Kumbu, 2024). These overlapping claims introduce tenure insecurity that deters lenders from accepting Mailo land as mortgage collateral (Malik, 2022). Freehold tenure offers perpetual ownership with fewer encumbrances, but the bureaucratic process of converting other tenure types into freehold remains prohibitive for many low-income households (Antwi & Adams, 2003). Leasehold, often used by non-citizens and corporate developers, allows temporary occupation under formal agreements but has been associated with displacements in urban redevelopment contexts (Rhoads, 2023). Meanwhile, customary tenure, governing over 80% of Uganda's land, is largely undocumented, communal, and highly insecure from a legal standpoint, especially for women, whose rights are frequently curtailed by patriarchal norms despite constitutional protections (Oryema & Kumbu, 2024).

The historical evolution of Uganda's land tenure—from pre-colonial communal ownership through colonial impositions (e.g., Mailo system and Torrens registration), to post-independence reforms such as the 1975 Land Reform Decree—has entrenched inequalities and institutional inefficiencies in land governance (Bonabana et

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al., 2020). Modern reforms like the issuance of Certificates of Customary Ownership (CCOs) and the development of the National Land Information System (UgNLIS) aim to formalise land rights and enhance mortgage eligibility (Erwiningsih, 2023). However, these efforts face systemic obstacles such as low land registration coverage (only 20% of land is formally titled), corruption, regional disparities in digitisation, and limited implementation capacity (Deininger & Goyal, 2023; Omweri, 2024).

Given the complex intersection between tenure insecurity and limited access to housing finance, this paper investigates the state of mortgage financing for low-income households in Uganda. It explores how tenure systems, historical land reforms, and current land registration practices influence the mortgage landscape and the extent to which policy, regulatory, and financial innovations can close the affordability and accessibility gap.

LITERATURE REVIEW

Theoretical Review of the Study

The theoretical framework guiding this study is grounded in three interlinked perspectives. First, property rights theory suggests that secure and documented land tenure is critical for enabling land to function as collateral in credit markets (Domeher & Abdulai, 2012). Second, social equity theory emphasises the role of inclusive governance and gender-sensitive policies in ensuring equitable access to housing finance (Makinde & Makinde, 2025). Finally, the land governance framework underscores the importance of harmonising statutory and customary systems to reduce legal pluralism, enhance tenure security, and improve access to formal financial products such as mortgages (Tchatchoua-Djomo, 2018).

Historical Evolution of Land Registration and Tenure Systems in Uganda

The historical trajectory of land tenure and registration in Uganda provides a foundational context for understanding current challenges in urban development, real estate markets, and housing finance. Pre-colonial Uganda operated under customary land management, where land was communally accessed, and tenure rights were vested in clan or tribal leadership. Land was regarded not merely as an economic resource but as a spiritual and cultural heritage that should not be alienated, especially not for speculative or investor-driven purposes (Van Leeuwen, 2014).

Colonial impositions fundamentally altered these indigenous systems. The 1900 Buganda Agreement introduced the Torrens System of land registration, primarily for the benefit of colonial elites and loyalist African chiefs. This agreement created a dual system, segregating mailo land, which was allocated in perpetuity to Buganda’s elite, from public and customary lands (Mugambwa et al., 2020). The Ankole (1901) and Toro Agreements extended similar arrangements to other kingdoms, assigning freehold titles to local leaders in return for allegiance to the colonial administration (Doornbos, 2019; Makubuya, 2019). These arrangements entrenched an unequal tenure system that persists today.

Subsequent ordinances, such as the 1903 Crown Lands Ordinance and the 1908 Land Titles Registration Ordinance, laid the groundwork for formal land registration under British control, introducing mailo, freehold, and leasehold tenures. Tumusiime (2012) notes that during this period, land titles were issued through provisional certificates, often managed by local councils (Lukiikos), thereby layering formal legal claims atop customary practices.

After independence in 1962, Uganda sought to harmonise land governance. The 1975 Land Reform Decree under President Idi Amin nationalised all land, abolishing mailo and freehold tenures and placing all land under state trust. However, this reform bred confusion, as it failed to account for entrenched customary practices and lacked enforcement mechanisms (Njue & Odek, 2025; Ronceray & Okechukwu, 2024).

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The 1995 Constitution of Uganda marked a significant shift, restoring private land ownership and recognising four legally protected tenure systems: mailo, freehold, leasehold, and customary. Articles 237 and 240 emphasised the role of District Land Boards in land administration and protected customary rights, yet did not fully integrate these systems into a unified land management framework (Mabikke, 2016).

Despite these reforms, the implementation remains fragmented. The Land Information Management System (LIMS), introduced to digitise land records, has made progress in urban areas (Hoefsloot & Gateri, 2024). However, rural districts continue to depend on outdated, paper-based systems, often compromised by poor funding, corruption, and limited technical expertise (Okunogbe & Santoro, 2023). According to Ashukem (2020), only 20% of Uganda's land is formally registered, with the rest under informal or customary claims.

Land Tenure, Ownership, and Real Estate Access

Land tenure in Uganda is multi-dimensional and complex, leaving serious ramifications on the provision of real estate development and mortgage finance (Irumba, 2015; Nilsson, 2017). Freehold and leasehold tenures have generally very few (though some existing) restrictions on their use as collateral in housing finance; however, land with mailo and customary tenures tends to be inflexible during such processes (Adade et al., 2022). On mailo land, particularly, the common multitude of ownership claims - and more so where lawful occupants have been granted neither ownership nor title rights - practically precludes any capacity for obtaining project finance (Murphy et al., 2017). Owino (2021) further argues that in the long run, tenure issues prevent a large part of the Ugandan population from even accessing mortgage finance (M. Nakiwala et al., 2022). Furthermore, land fragmentation legacies serve to inhibit household investment in housing, and in so doing, they further compound Uganda's real estate supply gap (Oloka-Onyango, 2017).

A fast urbanisation context, mainly economically oriented within Kampala, is bringing problems into land governance in Kampala (Bidandi & Williams, 2020; Nastar et al., 2019). The city theoretically has a daytime population of more than 2.5 million, with the built-up environment tripling in area by 2050 (Sen Roy & Sen Roy, 2018). Urbanisation puts tremendously increased pressure on the land supply and infrastructure, raising land values and informal settlements (Bikis & Pandey, 2023). According to Nabawanda (2023), speculators have pushed these increases in land values and housing prices, while only a few developed programs accommodate the poor. State-endorsed "projects", such as the Kampala Industrial and Business Park, have further commodified land and thereby displaced the lower-income groups, with scarce regard to either compensation or resettlement arrangements (Achoroi, 2020).

In Uganda, the mortgage credit supply remains underdeveloped. Mortgage loans are almost less than 1% of the GDP, a wretched indication of how little reach formalised systems of housing finance manage to have (Nakiwala et al., 2023). High interest rates on mortgage loans usually soaring to levels between 18% and 24%, a poorly developed property titling system more incapable of producing mortgage products applicable or suitable to the socioeconomic conditions of low-income or informal workers, form part of the other bottlenecks (Justus, 2022). According to Nilsson (2017), more than 2.1 million housing units are needed in Uganda, of which 70% are low-cost units that are largely unattended to by the formal financial system.

Access to and ownership of land continue to be compounded by gender and ethnic inequities. Women are still discriminated against in joint ownership and inheritance of land, and despite the stipulations of the Land Act and Constitution, customary norms continue to uphold male lineage ownership of land (Errico, 2021; Kaidu et al., 2024; Laing, 2024). Moreover, marginalised groups like the Batwa continue to be evicted from land without compensation and continue to face exclusion as not having landed security is

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ultimately a systematic exclusion from any housing finance arrangement (Nsibambi, 2018).

Urbanisation has occurred with less and less regulatory compliance, and there has been considerable harm to the environment, mainly wetland degradation, which has worsened by many factors (Kundu et al., 2024). According to Douglas (2018), attention to the lack of development management in floodplains creates uncertainty in housing investments, especially in wetland environments. Hemmati et al. (2020) also show further evidence that evokes similar sentiments regarding growing flood risks and related housing investment sustainability erosion. Greater legal and regulatory compliance around land use is needed to contain the extent of speculative development and unnecessary and unplanned growth so as to build proper foundations for sustainable mortgage finance and real estate planning (Ratcliffe et al., 2021).

Currently, the Ministry of Lands, Housing and Urban Development (MLHUD) and the District Land Boards are in charge of land registration and tenure management in Uganda (Burke & Burke, 2020). There is a wide range of recent reporting that supports the proposition that these bodies are collapsing from the weight of the responsibility of the regulation of land use, dealing with land titles, and addressing land disputes (Nacishali Nteranya et al., 2024). According to (Deininger & Goyal, 2023), a dual dynamic of corruption and improper use of land in Uganda allows claims and registration processes that exist just as often fraudulently as not, so land administration systems continue to fall to incomplete registration and overlap. In addition, Lohnert (2017) refers to the informal sector where land is transferred, acquired, etc, de novo - considering the informal sector contributes to tenure insecurity and ‘financial exclusion’.

Uganda’s land tenure system is therefore an outcome of layered historical legacies, contested reforms, and uneven modernisation that remain central to debates on urban development, real estate investment, and mortgage access. The dualism between customary and formal systems creates both opportunities and barriers, especially in peri-urban areas where urban expansion meets traditional landholding practices. Land governance reforms must therefore strike a balance between recognising customary rights and facilitating formal land titling, particularly to enhance credit access and ensure inclusive urban development (Geyer, 2025).

This study bridges knowledge gaps by adopting an interdisciplinary and policy-oriented approach to assess Uganda’s hybrid land tenure system, institutional arrangements, and socio-political dynamic forces that limit equitable access to real estate investment and mortgage finance in urbanising contexts. With Kampala as the main focus and its peri-urban expansion zones, the study assesses the interaction of historical tenure legacies interact and the current administrative practices influencing housing affordability, credit access, and urban inclusivity. This study offers critical guidance for land policy reform, targeting mortgage innovations and the design of inclusive urban planning frameworks in Uganda.

METHODOLOGY

This study adopted a Desk-based, systematic review of secondary data sources. The analysis is comprised of synthesising findings from peer-reviewed academic literature, national policy, financial sector reports, donor agency publications, and grey literature. The main sources of relevance include publications from within the Ministry of Lands, Housing and Urban Development, Bank of Uganda, Uganda Bureau of Statistics, publications from Financial Sector Deepening Uganda (FSDU), UN-Habitat and World Bank reports. This method helped the study develop a comprehensive and multidisciplinary understanding of the barriers and enablers to mortgage access for low-income earners in Uganda.

FINDINGS

Concise Examination of Uganda’s Mortgage Market

The mortgage market in Uganda remains nascent, yet it is still less than a percent of the national

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GDP (MLHUD, 2023). It generally has ten commercial banks offering mortgage programs to individuals mostly formally employed. Mortgage terms are also subject to similar strict terms, involving, however, verifiable salary, collateral, and minimum down payments between 20-30 percent of the value of the property. Mortgage interest rates range from 16% to 24%, and the repayment period, on average, is no longer than 20 years. These terms completely exclude the majority of the population--especially those in informal or insecure situations— from being able to access a formal mortgage (Nakiwala et al., 2025).

Impediments to Mortgage Access for Low-Income Households

The study highlights a number of impediments to mortgage access for a low-income Ugandan household. Based on a report by the Uganda Bureau of Statistics, a total of 75% Ugandan labour force works in the informal sector (Kaidu et al., 2024). Workers in the informal sector do not have Payslips, cannot file taxes, among other things (Moore, 2023). As a result of this, it makes it impossible for income evidence to be provided, which only intensifies the perceived credit risk for financiers (Nakiwala, 2024). This completely excludes a large section of the population when considering conventional mortgage products.

Uganda has witnessed macroeconomic instability from the extreme volatility of inflation, with very elevated lending rates. Mortgage interest rates have ranged from 16 to 24% with monthly repayments so high that even middle-income households struggle to afford them (Jones & Stead, 2020). The consequence of high interest rates restricts demand for long-term housing finance in the form of mortgages (Guren et al., 2021).

Real estate developers have continued to focus on the middle- and higher-income end of the market whilst making negligible investments into low-cost housing due to the real and perceived higher risk associated with that segment of the market (Maganjo, 2021; Morrison, 2021).

The options for land tenure complicate mortgage financing. Of note is that the presence of mailo, customary, leasehold, and freehold systems causes uncertainty surrounding overlapping rights, ownership disputes and insecurity with regard to title. For instance, each piece of mailo land has lawful or bona fide occupants, thereby making it hard to confer exclusive rights necessary for collateralization (Okelo et al., 2024). Banks and other financial institutions are risk-averse with legal encumbrances and potential evictions, due to not having sufficiently authorised rights (Ben-Ishai, 2021; Nilsson, 2017).

The findings demonstrate an undeniable lack of financial literacy amongst potential borrowers generally, and mortgage processes specifically. In fact, most low-income borrowers have limited understanding of terms such as loan amortisation, compound interest, or foreclosure (Faherty et al., 2017). This lack of understanding inhibits borrower decision-making, reduces feelings of confidence, and increases the potential for borrower exploitation.

New Innovations and Adaptive Financing Approaches

These structural shortcomings notwithstanding, we can begin to see Ugandan housing finance begin to undergo a transformation with emerging innovations being employed to foster greater access and affordability:

Only a few banks, including Centenary Bank and Opportunity Bank, have provided micro-mortgages and incremental housing loans, enabling clients to build their homes piece by piece (Kihato, 2014). By pushing for incremental financing, these loans recognise low and irregular income and allow incremental borrowers to build without a major lump-sum and do not require formal employment deals.

Savings and Credit Cooperative Organizations (SACCOs) and housing cooperatives have emerged as alternate arrows in the quiver of communing home finance (Feather & Meme, 2018, 2019). These community-based finance

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mechanisms bring community member contributions together for low-interest, long-term loans. Furthermore, access to land through cooperatives enables land to be bought collectively, mitigating the risk of individual tenure and reducing the land price on a per unit basis (Alden Wily, 2018; Meinzen-Dick et al., 2019; Promsopha, 2018; Shi et al., 2018).

In innovation spaces, FinTech companies are piloting digital credit scoring models that leverage alternative data such as mobile money usage, utility payment trends, and digital transaction history as part of the underwriting process (Rijal, 2024). These models aim to understand the risk characteristics of borrowers without a formal credit history, thereby being inclusive of informal workers and small entrepreneurs into conventional mortgage eligibility (Malkova, 2025; Vu-Dinh, 2019). These digital financial inclusion artefacts are in the early stages of development; however, they signal an opportunity to democratize mortgage access (Gabor & Brooks, 2020).

In Uganda, PPPs have grown to be one of the collaborative means for responding to the housing dilemma; for example, with regard to the Lubowa Affordable Housing Project (Adamu, 2019). This approach aims at reducing costs through Government land provision and/or infrastructural provision while leveraging private-sector capital and efficiency in both construction and management (Giti et al., 2020). Currently, however, PPPs still have limited scope and scale given that they remain initiatives requiring institutional means and definitely more regulatory clarity (Casady et al., 2020).

According to Nakiwala (2024), access to mortgage finance for housing developers in Uganda is highly mediated by a combination of institutional, financial, and process-based challenges. One paramount issue that limits housing developers in Uganda is access to mortgage finance. A number of systemic, financial, and administrative barriers obstruct housing developers from supplying affordable housing. Table 1 ranks key barriers identified by housing developers in mortgage financing access in Uganda. The Likert scale survey responses provided the severity of these perimeter barriers, ranging from corrupt banking practices to large financial requirements to enter the market, thus highlighting the most serious constraints on their ability to develop affordable housing.

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Table 1: House Developer Challenges in Accessing Mortgage Financing

	Challenges Faced by house developers to access mortgage financing in Uganda	Not challenging (*1)	Fairly Challenging (*2)	challenging (*3)	Very challenging (*4)	Total(Score*the scale weights)	LSMS(Total/400)
1	Corrupt banking officers (CBO)	8	49	91	252	1387	3.47
2	Payment of mortgage processing fees of 2% of the loan amount (PMPF)	12	198	53	137	1115	2.79
3	Proving verifiable source(s) of income (VSI)	168	56	84	92	900	2.25
4	Paying for a valuation report of the property used as collateral. (PVRPC)	180	58	85	77	859	2.15
5	Preparing Bills of quantities for the house in case of construction (PBOQ)	181	50	82	87	875	2.19
6	20% to 30% own contribution of the mortgage (OCM)	18	11	19	352	1505	3.76
7	The limiting loan mortgage period. (LLP)	72	129	92	107	1034	2.57
8	Requirement of audited books of account (RABOA)	143	68	87	102	948	2.37
9	Securing an approved architectural plan for the house in case of construction (AAPSH)	144	72	87	97	937	2.34
10	Proof of property ownership, a genuine land title, or a copy of the certificate of property to be purchased or developed. (PPO)	182	63	89	66	839	2.10

1 – 1.75 = Not challenging (NCH)	1.76 – 2.50 = Fairly challenging (FCH)
2.60 – 3.25 = Challenging (CH)	3.26 – 4.00 = Very challenging (VCH)

Source: ***(Nakiwala, 2024)***

The findings show the biggest obstacles to mortgage financing for house developers in Uganda are: (1) high own contribution (20-30% of the property value), (2) corruption from banking officers, and (3) exorbitant fees in mortgage processing, all creating a big financial and institutional burden.

In contrast, providing proof of ownership of the property and property valuations or proving one's source of income were easy, indicating a higher degree of accessibility to documentation and record-keeping. Such assessment brings forth an urgent need to introduce structural changes for increased affordability and transparency in the mortgage process. The proposed solutions include reducing fees and upfront costs associated with processor institutions, reducing institutional corruption, and having government support from the policy side with tax relief, amended land reform, and subsidised finance to further foster the development of the housing industry and overall economic growth.

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Table 2: **Summary of Key Findings**

Section	Key Issues / Findings	Details / Evidence	Sources
Uganda's Mortgage Market Landscape	Nascent Mortgage Market	Mortgage portfolio is <1% of GDP; only 10 commercial banks offer mortgage programs.	(MLHUD, 2023)
	Strict Eligibility Terms	Requires formal employment, verifiable salary, collateral, and a 20–30% down payment.	(Nakiwala et al., 2025)
	High Interest Rates	Mortgage interest rates range from 16–24%; repayment periods average 20 years.	(MLHUD, 2023)
	Exclusion of the Informal Sector	The majority of informal employment cannot meet eligibility requirements.	(Nakiwala et al., 2025)
Impediments to Mortgage Access (Low-Income Households)	Informal Employment	75% of Ugandans work informally without pay slips or tax records.	(Kaidu et al., 2024; Moore, 2023)
	Macroeconomic Instability	High inflation and volatile lending rates reduce demand for mortgages.	(Guren et al., 2021; Jones & Stead, 2020)
	Lack of Affordable Housing	Developers focus on middle- and high-income segments; low-cost housing is underdeveloped.	(Maganjo, 2021; Morrison, 2021)
	Complex Land Tenure	Multiple tenure systems (mailo, customary, etc.) deter banks from accepting land as collateral.	(Ben-Ishai, 2021; Nilsson, 2017; Okelo et al., 2024)
	Financial Illiteracy	Borrowers lack understanding of mortgage terms like amortisation and foreclosure.	(Faherty et al., 2017)
Innovations and Adaptive Financing Approaches	Incremental Housing Loans	Offered by Centenary and Opportunity Bank, accommodating low/irregular incomes.	(Nakiwala et al., 2025)
	Housing Cooperatives & SACCOs	Community-based finance enables low-interest loans and collective land purchases.	(Alden Wily, 2018; Feather & Meme, 2019)
	Digital Credit Scoring	Uses alternative data (mobile money, utility payments) to assess informal borrowers.	(Gabor & Brooks, 2020; Malkova, 2025; Rijal, 2024)
	Public-Private Partnerships (PPPs)	The Lubowa project illustrates government-private sector collaboration for housing.	(Adamu, 2019; Casady et al., 2020)

Source: Authors

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Findings indicate that housing financing is misaligned with the socio-economic realities of the bulk of the population. Underscoring increasing demand for homeownership, particularly among the low-income earners and people in the informal setup of employment, is yet limited availability of formal mortgage finance. This market size constitutes less than 1% of the Gross Domestic Product and is mainly that of the commercial banking sector, whose mortgages are essentially structured for persons formally employed. Some very elementary requirements and conditions attached to any mortgage include, among others, a high level of down payment, proof of income, and formal collateral, inadvertently cutting off far larger segments of the population who would otherwise be mortgage-loan takers.

Also, some structural constraints keep reinforcing this exclusionary product offering. Two of these are the outsized informal employment coupled with macroeconomic instability and high market interest rates of between 16% and 24%. Besides these is the far too complicated land tenure system in Uganda that limits the ability to put up collateral, which would make lenders bear an unacceptable amount of legal liability.

Despite barriers, the housing finance market is witnessing some first glimmers of change. All types of innovative finance are being experimented with; some are micro-mortgages and incremental housing loans that some financial institutions have begun responding to; some are community, cooperative, and SACCO initiatives that pool finance together for organising land or housing construction; some are alternative forms of digital credit scoring for informal workers through alternative data. There are also public-private partnerships that finance affordable housing, even if limited in scale. Local Land development support is absent.

Such innovations in nascent stages still have the ability to scale out financing for housing, and be important complements to broader structural reforms. If paired with enabling policies, targeted subsidies, and regulatory clarity, especially with regard to land tenure security, such strategies can go a long way in bridging Uganda's housing finance gap. The promotion of inclusive and adaptive financing mechanisms is, therefore, crucial for enhancing tenure security, advancing equitable urban development, and ultimately achieving the goal of affordable housing for all.

Recommendations

Sustained housing shortage in Uganda and a lack of mortgage finance fully accessible to the lower-income earners need to be redressed by a multi-pronged inter-sectoral approach. One major recommendation rests in the creation of a National Housing Fund, guaranteed from appropriations by the state treasury, concessional development finance, and donations. The fund would provide mortgage products for low-interest long-term loans applicable only to those of low- and moderate-income families.

Mortgage lenders must reform credit assessment mechanisms. Traditional reliance on formal employment documentation and conventional collateral must give way to innovative approaches. Integrating alternative credit scoring models that utilise mobile money transaction histories, cooperative savings records, and community-based loan guarantees would expand access for informal sector workers. Housing cooperatives, in particular, can provide forms of social collateral that enhance lender confidence.

Land tenure reform remains indispensable. Fast-tracking the implementation of the National Land Policy (2013) and fully operationalising the Land Information System (LIS) would harmonise Uganda's fragmented tenure systems. Making the title registration process more efficient and rendering registration services affordable would raise borrower security and lend Surety to the lenders in securing the means of enforcement for land as mortgage security.

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Enhanced financial literacy increases the likelihood that site-holders with land will meaningfully benefit from mortgage markets. In support of this, community-based financial literacy programs, delivered in the vernacular language through trusted civil society networks, can educate gardeners about mortgage application processes, long-term repayment obligations, and land rights. An emphasis on women, youth, and informal workers continues to be crucially excluded,

Academic institutions can nurture low-income housing finance research and curriculum development, thus enabling the generation of localised evidence and tested interventions to inform policymakers and industry innovations better. Strengthening university research capacities guarantees sustained engagement with the housing finance agenda in addition to supplying a steady stream of qualified human resources in this arena.

Policy Implications

The study's implications highlight Uganda's housing finance system and its necessity for strategic reform in order to develop a structure aligned with the realities of its people, which is both structural and socio-economic. One of the policy implications is the need for an integrative housing policy that combines housing finance with urban planning, land administration, and social welfare systems. Otherwise, the respective strategies to improve mortgage access alone will be fragmented and ineffective.

The second policy involves rethinking 'mortgage risk' in cities with an informal work dependency. If we want to mitigate the associated risk through a risk-share with financial institutions, we must look to the government for support in developing improved risk-sharing practices through the development of items such as public mortgage insurance or credit guarantees. This would allow financial institutions to lend money for mortgages to informal workers without fully compromising their lending portfolios stability.

Thirdly, gender equality, land entitlement and title ownership should also be addressed by harmonised reforms that assure women's land ownership is guaranteed in both statutory and customary practice. As well, a review process from a legal perspective may curb discriminatory practices that prevent women from owning land, especially in relation to peri-urban and rural settings. There will still be structural issues for women accessing mortgage finance if, for example, they do not have secure land tenure.

Furthermore, decentralised land titling services means fully resourcing district land registries and completing the process of digitising service delivery. By giving registries the authority to issue title services at the district level, costs and time associated with a title will decrease. With title forms originating from a district registry, land titling decentralisation can provide the foundation for equal access to land regardless of geographical or socio-economic status.

Ongoing macroeconomic stability is the starting point for mortgage development. Those borrowers facing inflation and interest rates will expose limits on eligibility for loans and flow through the housing market. Adequate fiscal and monetary policy, together with capital market deepening, will allow for stable and long-term lending in mortgages.

CONCLUSION

Uganda's housing finance market largely excludes low-income and informally employed citizens due to its lack of meaningful inclusion. The exclusionary housing finance market in Uganda is not only limited to financial products that prohibit low-income earners, but also due to other structural factors such as limited affordable supply, land tenure insecurity, interest rates on mortgages that are significantly higher than mortgages in more developed economies, and a lack of financial literacy. There are new innovations to ameliorate the housing finance challenges faced by low-income earners, such as their ability to provide incremental

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housing loans, cooperative oriented lending structures and digital credit scoring that have promising benefits to inclusive systems. These innovations present more realistic alternatives to the existing mortgage markets available, and are better suited to Uganda, as reflected in its population and economic demographics.

Dealing with a growing housing deficit, there must be a response larger than traditional models. A more interdisciplinary approach is required from the government, private, and education sectors in Uganda to enact institutional reforms that are inclusive, gender and context-based to enable Ugandans to access adequate and affordable housing. Inclusive urbanism and equitable homeownership cannot be merely aspirational visions but require holistic and pro-poor strategies.

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