

Kyanja | Najjera | Naalya | Lubowa | Entebbe



Kampala's Next Neighborhoods

Q1 2023 Roundup

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KAMPALA'S NEXT NEIGHBORHOODS ROUNDUP

There is now a shift in consumer preferences, with many willing to trade shorter commutes for more extensive, modern properties.

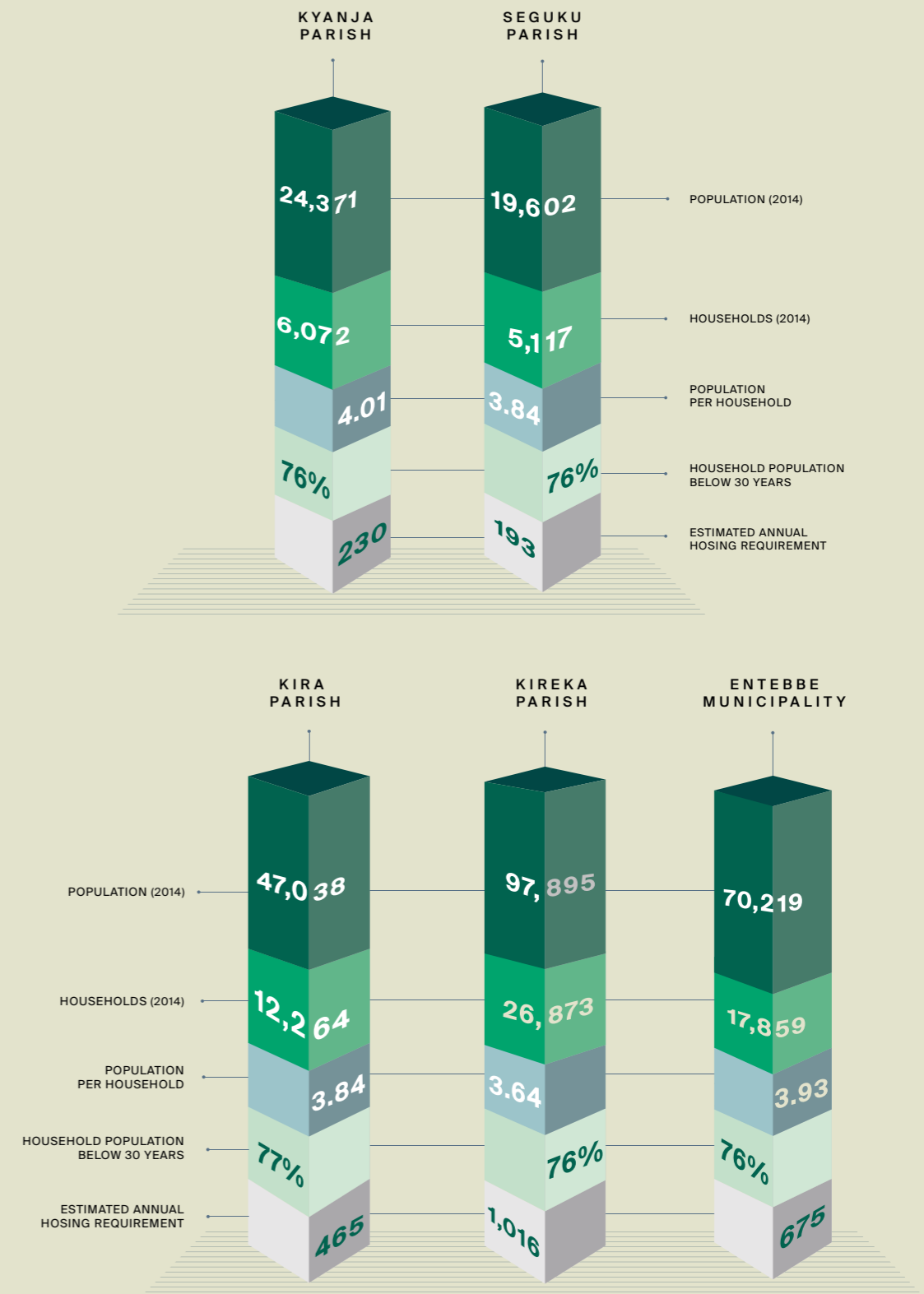
Over the past decade, the real estate industry in Kampala has grown significantly, stretching beyond the original seven hills of the city to encompass the broader areas of Wakiso, Mpigi, and Mukono. This growth is being propelled by demographic, economic, and infrastructural factors.

As the secondary suburbs continue to develop, supported by a rapidly expanding central business district (CBD), an increasing working population, and improved transportation networks, these areas are becoming more self-sufficient and providing a wider range of amenities and services.

Consequently, proximity to the CBD as a major determining factor of residential location, is no longer as critical as it used to be. There is now a shift in consumer preferences, with many willing to trade shorter commutes for more extensive, modern properties with various amenities demanded by the demographic group in these suburbs.

In our next neighbourhoods series, we track key growth suburbs, highlighting trends and opportunities in the market. Our Q1 2023 Roundup provides a detailed breakdown of the suburbs covered in the quarter.

KEY GROWTH AREAS



Source: Knight Frank Uganda

KYANJA

The largely residential suburb of Kyanja has become popular due to the city's rapid urban expansion and the improved transport links that have enhanced connectivity. The availability of a well-maintained road network, planned housing estates, an emerging retail component, and a diverse range of amenities, including schools, medical facilities, restaurants, fuel stations, and banking services, have all contributed to the increased demand for housing in the area.

Kyanja has transformed from a primarily residential area into a mixed-use neighbourhood, characterized by high-rise apartment complexes, modest to executive residential bungalows and neighbourhood shopping centers.

As the young population in the area continues to grow, renting homes has become more prevalent than ownership. This has prompted more investors to construct apartments specifically for rental purposes.



UGX 1,300,000 UNFURNISHED

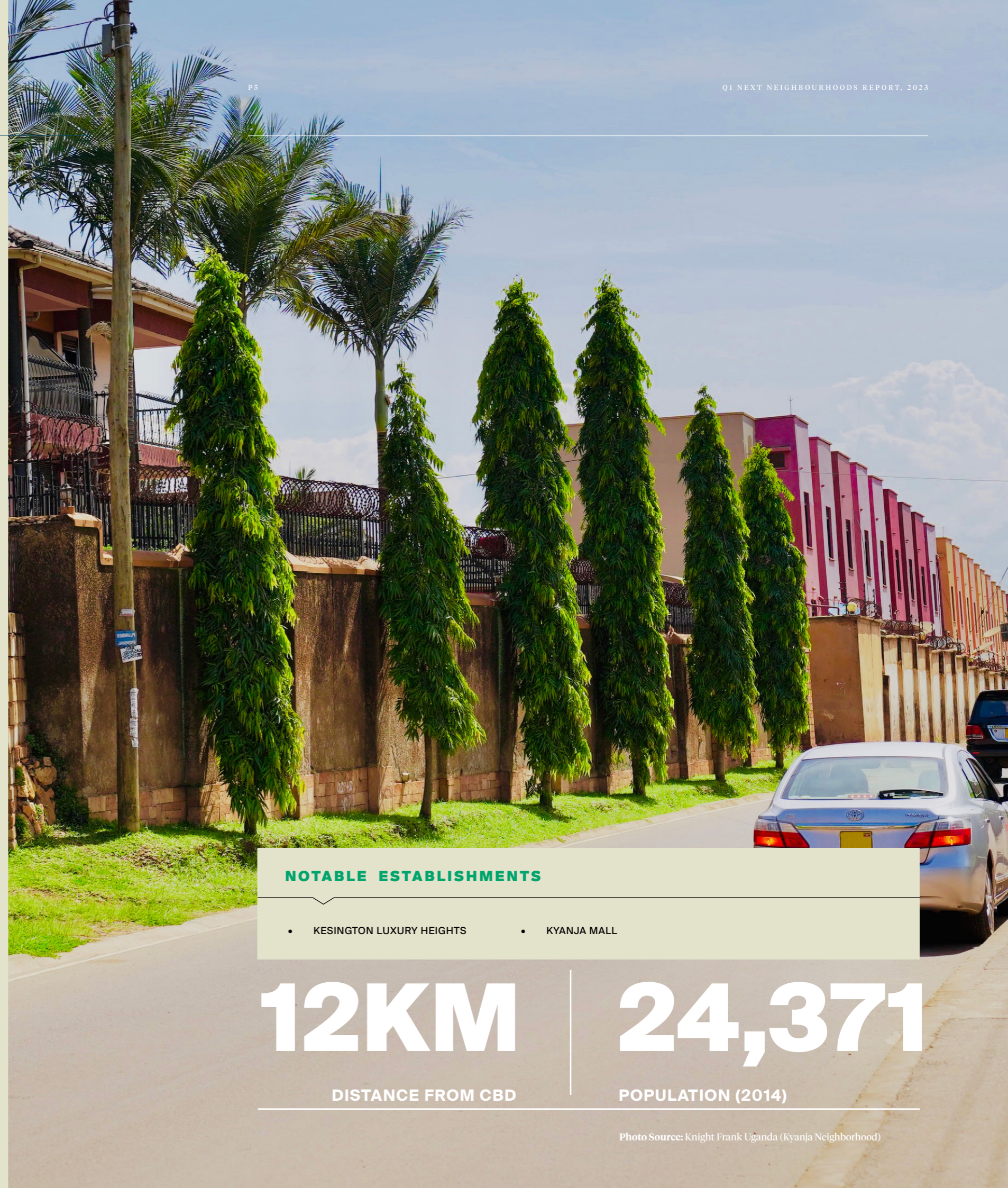
UGX 1bn

AVERAGE RESIDENTIAL LAND PRICE PER ACRE

...characterized by high-rise apartment complexes, modest to executive residential bungalows and neighbourhood shopping centers.

KEY PARAMETERS		
Av. Rent	1-BED	UGX 650,000
	2-BED	UGX 1,000,000
	3-BED	UGX 1,300,000
	AVERAGE RESIDENTIAL LAND PRICE PER ACRE	UGX 1,000,000,000
	AVERAGE YIELDS	8% to 13%
	DISTANCE FROM CBD (KM)	12
	VALUE OPPORTUNITIES	POTENTIAL FOR CAPITAL APPRECIATION

Source: Knight Frank Uganda



NOTABLE ESTABLISHMENTS

- KESINGTON LUXURY HEIGHTS
- KYANJA MALL

12KM

DISTANCE FROM CBD

24,371

POPULATION (2014)

Photo Source: Knight Frank Uganda (Kyanja Neighborhood)



NOTABLE ESTABLISHMENTS

- ESELLA COUNTRY HOTEL • NAJJERA HOSPITAL

12.5KM | **47,039**

DISTANCE FROM CBD

KIRA PARISH POPULATION (2014)

Photo Source: Knight Frank Uganda (Najjera Neighborhood)

NAJJERA

In a poll to identify the next neighbourhood to watch, 48% of respondents voted Najjera as the next prominent neighborhood in the Greater Kampala Metropolitan Area.

The suburb has become popular among those seeking a suburban lifestyle away from the city center because of its potential for capital appreciation, attractive yields, proximity to various services, improved accessibility and the growing young population. With alternative road networks and access to both public and private transportation, Najjera is well-connected to other parts of the city.

In recent years, Najjera has become a hub for the development of affordable housing projects, with various estates offering 1, 2, and 3 - bedroom apartments at prices ranging from UGX 90 million to UGX 300 million. This has made it an attractive location for middle income earners, young professionals and families alike, looking for affordable housing in the bedroom-suburbs.



Voted most prominent neighborhood in the greater Kampala Metropolitan area.

UGX 900Mn

LAND PRICE PER ACRE

The suburb has become popular among those seeking a suburban lifestyle away from the city center.

KEY PARAMETERS		
Av. Rent	1-BED	UGX 600,000
	2-BED	UGX 850,000
	3-BED	UGX 1,200,000
AVERAGE RESIDENTIAL PRICE PER ACRE		UGX 900,000,000
AVERAGE YIELDS		8% to 12%
DISTANCE FROM CBD (KM)		12.5
VALUE OPPORTUNITIES		POTENTIAL FOR CAPITAL APPRECIATION

Source: Knight Frank Uganda

NAALYA

Naalya, a suburb situated in the burgeoning Kira municipality, has undergone remarkable transformation. The area has evolved into a coveted middle-class neighbourhood, featuring an array of exquisite bungalows, furnished and unfurnished apartments, supporting services, and a robust retail component.

The growing middle-class population has resulted in several developers establishing affordable housing projects, estates and middle to high-end property, enjoying the best of both worlds- a serene, desirable residential area and a bustling commercial district.

In between the residences and highways, supermarkets and shopping malls have sprung up. A notable one is the Metroplex Shopping Mall, located on the northern border of the Kampala Northern bypass. The mall boasts of an excellent tenant mix attracting high footfall from within and around Kira municipality.



UGX 1,000,000 UNFURNISHED

1.25 Bn

AVERAGE LAND PRICE IN UGX PER ACRE



A notable shopping center - Metroplex Shopping Mall, located on the northern border of the Kampala Northern bypass.



KEY PARAMETERS		
Av. Rent	1-BED	UGX 650,000
	2-BED	UGX 1,000,000
	3-BED	UGX 1,500,000
AVERAGE RESIDENTIAL LAND PRICE PER ACRE		UGX 1,250,000,000
AVERAGE YIELDS		7% to 12%
DISTANCE FROM CBD (KM)		12
VALUE OPPORTUNITIES		POTENTIAL FOR CAPITAL APPRECIATION

Source: Knight Frank Uganda



NOTABLE ESTABLISHMENTS

- METROPLEX SHOPPING CENTRE
- TMR INTERNATIONAL HOSPITAL
- HILLSIDE NURSERY AND PRIMARY SCHOOL
- QUALITY SUPERMARKET
- NAALYA HOUSING ESTATE
- VIENNA COLLEGE NAMUGONGO
- HARVEST INTERNATIONAL SCHOOL
- ST. PETERS S.S NAALYA
- KIDS WORLD WATER PARK
- ABJA PARKS NAALYA

12KM | 97,895

DISTANCE FROM CBD

POPULATION (2014)

Photo Source: Knight Frank Uganda (Naalya Neighborhood)



LUBOWA

Lubowa, situated East of the Kampala-Entebbe expressway within Seguku Parish, offers a comprehensive range of housing alternatives, including detached houses, multi-unit apartments, and gated communities.

This varied property portfolio is intended to cater to a wide spectrum of income levels, with middle-market apartments being leased in UGX and prime apartments in US dollars, thereby providing the opportunity for diverse income groups to reside in the suburban area.

Lubowa's accessibility via the Kampala-Entebbe Road and Entebbe Expressway, combined with the presence of international schools and other crucial facilities, makes it an attractive destination for families and professionals looking for comfortable and convenient living spaces.

  **11KM**

DISTANCE FROM CBD

\$320,000

AVERAGE RESIDENTIAL LAND PRICE PER ACRE

An attractive destination for families and professionals looking for comfortable and convenient living spaces.

NOTABLE ESTABLISHMENTS

- The International School of Uganda
- Galaxy International School Uganda
- Livingstone Academy
- Solana Lifestyle and Residences
- Green Top villas
- Spring Hill apartments
- Chatsworth Park
- African Bible University
- Watoto Church
- Quality Supermarket
- Nyosar leisure park
- Roofings Limited
- Lubowa Specialized hospital (Under construction)

19,602

SEGUKU PARISH POPULATION (2014)

Photo Source: Knight Frank Uganda (Lubowa Neighborhood)

KEY PARAMETERS

Av. Rent	1-BED	\$ 400
	2-BED	\$ 650
	3-BED	\$ 900
AVERAGE RESIDENTIAL LAND PRICE PER ACRE		\$ 320,000
AVERAGE YIELDS		7% to 10%
DISTANCE FROM CBD (KM)		11

Source: Knight Frank Uganda

ENTEBBE

Entebbe is a prominent suburb on the shores of Lake Victoria, known for its stunning beaches and resort hotels. It is not just a place to soak up the sun - the area is bustling with activity, from the hustle and bustle of the Entebbe International Airport, to the tranquil greens of the Entebbe Golf Course, the sailing club, the botanical gardens, and the captivating animals at the Uganda Wildlife Education Centre.

Entebbe is home to a vibrant expat community, attracted by the area's proximity to the airport, the magnificent lake views and proximity to other services. With tracts of land still available for development, and alternative road networks such as the Kampala-Entebbe Expressway, the area is poised for growth.



\$ 1,500 FURNISHED

\$400,000

AVERAGE PRIME RESIDENTIAL
LAND PRICE PER ACRE



A vibrant expat community attracted by the area's proximity to the airport, the magnificent lake views, stunning beaches, resort hotels and proximity to other services.



KEY PARAMETERS		
Av. Rent	1-BED	\$ 500
	2-BED	\$ 1000
	3-BED	\$ 1500
	AVERATGE RESIDENTIAL LAND PRICE PER ACRE	\$ 400,000
	AVERAGE YIELDS	8% to 12%
	DISTANCE FROM CBD (KM)	36

Source: Knight Frank Uganda



Photo Source: Knight Frank Uganda (Entebbe Neighborhood)

KEY OBSERVATIONS IN THE SECONDARY SUBURBS



Large young population.

Characterised by a large young population (approximately 77% of the population is below 30 years), it is anticipated that the requirement for reasonably priced and rental housing options will increase, as younger individuals endeavor to secure their own dwellings.

~77%

Of the population below 30 years



Increased supply of condominium housing units.

The rising land prices in the suburbs have led to a rise in the supply of multi-unit apartments for sale. The alluring features of these condominiums that appeal to potential buyers include: convenience, proximity to services and amenities such as, swimming pools, balconies with picturesque views, and high-quality fittings and finishes.



Growth in neighborhood shopping centres.

These have thrived off demand for convenience, providing essential daily necessities and services. These establishments incorporate various retail formats, including mini-supermarkets, pharmacies, boutiques, hair salons, general merchandise outlets, and electronics retailers. Their strategic locations are often in proximity to suburban residential nodes, providing convenient access to households and remote workers.



Affordable housing projects.

The growing middle-class population in the secondary suburbs has resulted in increased supply of affordable housing projects. Naalya, Najjera, and Kira have become key locations for these establishments given the opportunities for capital appreciation, a growing demand and improved accessibility.

UGX/USD



An emerging Airbnb market.

The rising demand and attractive profitability prospects in the Airbnb industry have spurred a surge in supply in the secondary suburbs. Due to their comparatively lower rates vis-à-vis hotels, the Airbnb market is experiencing rapid growth, primarily driven by the demand from foreign and local travellers.



Housing costs have been escalating at a faster rate than individuals' incomes, creating a significant affordability gap.



Typical tenants.

Typical tenants in the secondary suburbs are mid-income professionals, young marrieds and full nesters.

Uganda shilling market.

The Uganda shilling is the predominant transaction currency in the mid-income suburbs. Nonetheless, in some neighborhoods like Naalya, newer furnished apartments and Airbnb listings are recorded with dollar leases. On the other hand, localities like Lubowa and Entebbe have a mixed denomination, where both shillings and US dollars are accepted transaction currencies.



Shared living.

The greater Kampala area has witnessed high urbanization, leading to a surge in demand for affordable yet high-quality housing. However, housing costs have been escalating at a faster rate than individuals' incomes, creating a significant affordability gap. Consequently, shared living arrangements have emerged as an alternative.



Photo Source: Knight Frank Uganda (Kyanja Neighborhood)

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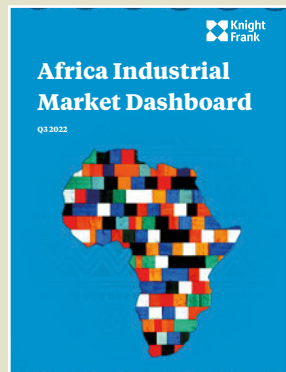
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