Dilemma of Regulating Residential Real Estate Markets in Developing Countries- the Case of Tanzania

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SUMMARY

'Information is power' is the base of knowledge and business skills that outsmart competitors in pursuing a goal. In real estate markets of Africa, information is divulged from déjà vu operations and might not have been the tool in the first instance to tackle the intricacies imbedded in the operations. It is an aftermath of the events which is hardly recorded in a manner that it becomes useful for the next round of procedures. During the last two decades (2000-2018), there have been some unprecedented efforts to develop some forms of Real Estate Information Centres. The objective has been to assure transparency in the apparent imperfect real estate markets with a view of enhancing government revenues and protect interest of those with limited rights of access. Tanzania has taken the initiatives of learning from successful stories within and outside Africa to develop real estate information centers and to keep in place real estate regulatory frameworks. Real Estate Markets contribute significantly to national macro-economy growth and are at the center of the socio-economic prosperity of a nation.

This paper is an attempt to examine the dilemma of implementing real estate regulatory measures in an economy aspiring for open market operations. It assesses the extent to which availability and quality of real estate information is influencing the working of real estate markets. It delves in the discourse of blockchains as applies to real estate market and makes case for the need to steer streamlined development of housing information systems in real estate markets. The paper is a result of contracted research project commissioned in 2017 to design an information Centre for housing in Tanzania. Through direct interviews and questionnaires, the research reached 316 respondents in nine major cities of Tanzania and total of 15 institutions in three best-practice studies in Kenya, South Africa and Singapore.

The study revealed low levels of awareness of the processes and procedures in real estate

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transactions by majority of the respondents (65%), disjointed information process flows in government land administration sectors, information retrieval problems, slow and delayed decision-making process in land and housing transfer documentation, over-reliance of manual filing system, unreliable housing prices and rents in the press, social media and online platforms, unregulated estate agency, limited role of local governments in recording and storing real estate information.

The paper recommends need for comprehensive and integrated real estate information system that takes advantage of the growing information technologies, changing business and investment environments.

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