Exploring Real Estate Markets and Housing Development in Tanzania: A Collaborative Analysis of Public and Private Sector Contributions

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Key words: Affordable housing; Informal settlements; Land management; Real estate development; Keyword 1; Keyword 2; Keyword 3

SUMMARY

Between 2015 and 2025, the Public Sector Housing Companies alone added 12,000 housing units to the housing market in urban Tanzania, an unprecedented development in the country's housing history. The private sector, however, has continued to dominate the housing market, adding close to 100,000 units over the same period. The thriving property market in Tanzania is attributed to the robust national economic growth that has averaged 6.9% over the last five years, the discovery of oil and gas along the southern coastline, the 2008 two legislation - the Mortgage Financing (Special Provisions) Act and Unit Act of 2008, and the reintroduction of home loan facilities under the National Housing Finance Project of 2010. In the ensuing economic activities, large chunks of land are continuously being acquired, mostly from non-performing public companies and private landholdings in peri-urban areas. Local governments have been encouraged to be proactive in identifying suitable land for housing development in their areas and to improve their land delivery functions through private-public partnership arrangements. A new form of land administration problem has subsequently emerged, with the government flexing its muscles against private sector actors, mainly those involved in land delivery, for not complying with established land acquisition procedures and for not adhering to fairness in their dealings.

This paper attempts to synthesize the growing relationships between private and public sector actors in an initiative to provide affordable housing in the context of an emerging liberal economy. Interviews with selected public housing companies, home loan banks, and private land delivery companies in Dar es Salaam highlight the growing trust between private and public actors. The key conclusion of the study is that for a sustainable real estate market and a viable housing development strategy, a national policy that defines the roles of the parties is crucial.

Keywords: affordable housing initiatives, private sector involvement, synergies