

REAL ESTATE MARKETS IN TANZANIA.

Real estate in Tanzania is a dynamic market with options for buying, selling, and renting residential and commercial properties across the country. The market is dominated by residential real estate and is served by a wide range of services from local and international companies.

Key services include property management, brokerage, appraisal, and development, with transactions happening in major cities like Dar es Salaam, Arusha, Mwanza and the capital Dodoma.

Market overview

The real estate market in Tanzania is projected to reach a significant value, with residential properties making up the largest segment.

The market offers a wide variety of properties, including houses, apartments/flats, land, and commercial spaces.

Services like property management, brokerage, and appraisal are available from various companies.

Key locations

1. Dar es Salaam: As the commercial capital, Dar es Salaam is a major hub with a large market for both residential and commercial properties, particularly in areas like Masaki and Oysterbay and others
2. Dodoma: The capital city offers a growing market for residential and commercial properties, including houses, apartments, and plots in emerging new townships such as Mtumba, Ihumwa, Nala, Chahwa, Kitelela, Iyumbu, Msalato among others .
3. Zanzibar: The island also has a real estate market, with a range of villas, houses, and apartments available in Stone Town, Paje, Nungwi, Pemba etc.
4. Mwanza, Arusha, Mbeya, Tanga, Mtwara, Iringa, Moshi, and among other important Towns around the Country.

Real estate services :

- (a). Brokerage and sales : Many companies provide brokerage services for both buying and selling properties.
- (b). Property management: Services include leasing, tenant relations, maintenance, and security.
- (c). Property development : Companies are involved in developing new real estate projects.
- (d). Appraisals and information: Specialized services like property appraisals and market information are available.

HOW TO GET STARTED (INVESTING)

Contact a reputable real estate agency or use online property portals to browse listings.

Identify your needs and budget, whether you are looking to buy, sell, or rent residential or commercial property.

Explore different locations, such as major cities like Dar es Salaam and Dodoma, or coastal areas like Zanzibar.

Consider consulting with an expert for guidance on the legal aspects of property ownership in Tanzania, as the state has ultimate authority over land.

Mevity Company Limited offers an exclusive guide for both Natives and Foreigners to invest in the Real Estate Industry in Tanzania. We're dedicated to excellence and professionalism.

THE FIRST MARKET: THE HOUSING MARKET IN TANZANIA (RESIDENTIAL MARKET).

The housing market in Tanzania is dominated by private individual owners (citizens) and public institutions (such as NHC, NSSF, and TBA).

Main stakeholders:

1. Individuals with Unsurveyed Dwellings = 70.00%

Example: Houses in rural areas and some older houses in urban areas.

2. Individuals with Surveyed Dwellings = 13.50%

Example: Houses located in cities and small towns.

3. National Housing Corporation (NHC) = 5.10%

4. Private Companies/Investors and Real Estate Developers = 3.90%

5. Central Government = 3.00%

Example: Residential houses for high-ranking government officials such as ministers, judges, directors, and other leaders.

6. Pension Institutions (such as NSSF & PSSF) = 2.40%

Example: Their investment housing projects across various regions, especially in major cities and urban centers.

7. Local Government Authorities = 2.10%

Example: Investment houses for rental purposes, accommodation for local leaders, and part of their general property portfolio.

WHY INVEST IN HOUSING/RESIDENTIAL PROPERTY:

1. Rapid Population Growth:

It is projected that by 2050, the population will double compared to today (2025). This means the housing market remains significantly large, as over 100 million people will need homes whether owned or rented.

2. Rising Demand for Modern Housing:

The increase in middle and high income earners is driving demand for modern, attractive housing. In urban areas, many older houses lack appeal to potential buyers or tenants.

3. Fast Growth of Major and Secondary Cities:

Major cities such as Dar es Salaam, Mwanza, Arusha, Dodoma, and Mbeya are rapidly expanding. Likewise, rural areas are also developing due to national progress. The rise in the number of town authorities in almost every district is evidence of high urbanisation rates.

4. Government and Bank Support for Housing Sector:

Due to the high demand for residential homes, the government has instructed all banks in the country to offer mortgage loans. Examples include NMB Makazi Loan, CRDB Jijenge Loan, and PBZ Housing Loan, among others.

5. Cross-Border Integration with Neighboring Countries:

Tanzania's political stability and peace attract foreign nationals seeking to invest or settle temporarily or permanently, increasing housing demand.

Example: Citizens from Kenya, Congo, Burundi, and Uganda are increasingly drawn to Tanzania.

NOTE:

The demand for housing in Tanzania is already high and is expected to grow significantly due to the need for diverse types of housing, especially modern and attractive homes that meet specific standards and preferences.

CONCLUSION:

Due to the growing housing and residential market, we advise Tanzanians to invest in areas officially designated for residential development and avoid government-reserved or protected areas in order to save time, money, and avoid unnecessary inconveniences.

CHALLENGES FACING THE HOUSING SECTOR IN TANZANIA.

1. INCOME CONSTRAINTS & MORTGAGE ACCESS.

The average Tanzanian income is insufficient to afford modern homes or large plots of land. **Additionally**, housing loans (mortgages) come with strict conditions, and only a small portion of the population qualifies for them.

2. VARIOUS TAXES AND CHARGES (Taxes & Taxation).

The imposition of multiple taxes for example, the 18% Value Added Tax (VAT), significantly increases the cost of buying houses. As a result, many Tanzanians are unable to afford home ownership due to these high transactional and regulatory costs.

3. UNDERDEVELOPED INFRASTRUCTURE.

The lack of reliable infrastructure in certain areas causes significant variation in land value, even within the same town or city.

4. FLUCTUATION IN INVESTMENT POLICIES.

Frequent changes in government policies and regulations regarding land investment negatively impact businesses, especially in the real estate sector such as housing development.

5. UNREASONABLE RENT PRICES (Pro-Landlords/Landladies Domination and Sentient Mentality).

Some landlords charge excessive rent without considering the actual value of the property. This practice forces tenants to frequently move in search of more affordable housing within urban areas.

6. RISING CONSTRUCTION COSTS AND LIMITED AVAILABILITY OF MATERIALS (Lack of Reliable Domestically Produced Construction Materials).

Construction costs are high, and many Tanzanians cannot afford them immediately, forcing them to save money over many years before building their homes.

Additionally; the scarcity of locally produced reliable construction materials worsens this challenge.

Additionally; the availability of essential construction materials such as cement, steel rods, iron sheets, timber, and wood is limited, causing their prices to rise significantly, while the country's demand for these materials continues to grow.

CONCLUSION:

Although challenges exist, you can still INVEST in REAL ESTATE and achieve good returns.

1. You can start small by BUYING AFFORDABLE LAND or PLOTS and plan to BUILD later.
2. Alternatively, you can directly purchase completed residential houses as your initial investment.

DRIVERS OF HOUSING GROWTH IN TANZANIA.

1. POPULATION AND HOUSING (Demographics).

Tanzania is among the African countries experiencing rapid population growth, with an annual growth rate of 3.1%.

This large and growing population significantly expands the housing market benefiting home sellers, landlords, and new home developers alike.

2. URBANISATION (Growth of Cities).

The urban population growth rate exceeds the average at over 5.0%, with the urban population reaching 34.3% in 2020. It is estimated that by 2040, more than 50% of the population will live in urban areas.

The main driver of this urban growth is the large number of young people migrating from rural to urban areas (rural-urban migration) in search of employment and better living conditions.

3. GOVERNMENT INITIATIVES THROUGH ITS INSTITUTIONS.

The Government of Tanzania, through institutions such as the National Housing Corporation (NHC), Tanzania Building Agency (TBA), and National Social Security Fund (NSSF), collaborates to build affordable housing to address the housing shortage problem. In 2010, the National Housing Corporation reported that Tanzania faced a deficit of 3 million housing units, and this shortage remains significant today.

Note: This presents a great opportunity for investors.

4. ENTRY OF MULTINATIONAL COMPANIES AND PRIVATE INVESTORS.

Economic growth and a favorable business environment contribute to the expansion of the middle and upper-income classes among Tanzanians.

This enables many to afford buying or renting houses developed by companies.

Additionally; private investment in constructing modern quality housing stimulates competition and further expands the residential housing market.

5. INFRASTRUCTURAL DEVELOPMENT.

The government has invested in infrastructure to attract investment.

Examples include the construction of paved roads connecting regions, cities, districts, and zones, building bridges, bus terminals, and the Bus Rapid Transit (BRT) system;

ongoing development of the modern Standard Gauge Railway (SGR), and urban road construction through the Urban and Rural Roads Agency (TARURA), etc.

This infrastructure has improved accessibility in many areas, making it easier and cheaper to invest in residential housing by reducing transportation costs, travel time, and improving access to construction materials.

CONCLUSION:

The growth of urban areas in Tanzania is driven by various factors. The development and rising living standards of Tanzanians are also fueling investment in real estate, particularly in residential housing construction featuring modern and diverse styles.

SECOND MARKET: THE RETAIL REAL ESTATE MARKET IN TANZANIA.

RETAIL REAL ESTATE MARKET IN TANZANIA.

The retail real estate market in Tanzania is dominated by private Tanzanian owners (citizens) and investors (foreigners), in collaboration with local investors (non-governmental institutions) and the Government of Tanzania. In Tanzania, the retail commercial real estate market has grown significantly and has seen the most development in Dar es Salaam the country's economic hub and commercial capital. However, there is now notable growth in the market for shopping malls, retail shops, and commercial spaces in other areas, creating strong competition for Dar es Salaam. Cities such as Arusha, Mwanza, Dodoma, among others, are increasingly becoming competitive in this sector.

TYPES OF RETAIL REAL ESTATE BUILDINGS.

1. SHOPPING MALLS.

Large and modern retail centers that house various businesses and cover a vast floor area (square meters).

Examples:

- Dar es Salaam: Mlimani City Mall, Aura Mall, Mkuki Mall, Peninsula Plaza, MNF Square, Morocco Square, etc.
- Arusha: AIM Mall, AICC Shopping Mall, Ngorongoro Towers, etc.
- Mwanza: Rock City Mall, etc.
- Dodoma: Capital City Mall, Shoppers, etc.

2. MARKETS & SHOPS WITHIN MARKET AREAS (Central Business District – CBD and market areas).

These buildings typically host a mix of wholesale and retail shops. A well-known commercial area with many shops is Kariakoo in Dar es Salaam. Other cities also have significant market areas and retail shops.

3. FORMAL SHOPS AND COMMERCIAL UNITS (Storefronts, Shoprites & Shopping Outlets).

These are commercial spaces or shop units formally owned or rented by individuals or businesses, usually for selling small-scale consumer goods.

4. PRIVATE NEIGHBORHOOD SHOPS AND KIOSKS (Privately Owned Shops).

These include small shops and kiosks owned by individuals, often located in residential neighborhoods.

KEY STAKEHOLDERS.

Owners of retail real estate in Tanzania are divided into five main categories:

1. Local Investors ~84.2%

These are Tanzanian nationals who have invested in the retail real estate market across major cities, municipalities, districts, and smaller towns.

2. Government ~7%

Both the Central Government and Local Government Authorities have invested in retail commercial buildings, such as public markets.

3. Foreign Investors ~3.1%

These include companies or individuals from outside the country who have invested in the sector. **Examples include:** Splash Stores, Game, Choppies, Mr Price, Max, Spurr, Century Cinemax, Mlimani City Mall, Manix Stores, KFC, Subway, etc.

4. Non-Governmental Organizations, Local Companies & Special Groups ~4.4%

This group includes religious institutions, NGOs, and Tanzanian-owned companies that have invested in the retail real estate sector.

5. Political Parties ~1.3%

Some political parties in Tanzania have also invested in retail real estate markets across the country.

NOTE:

The retail **real** estate market in Tanzania is still among the most nascent (developing) sectors in many urban areas. Therefore, there remains a significant opportunity for growth and investment in various regions such as Dodoma, Morogoro, Kibaha, Mwanza, Mbeya, Iringa, Arusha, Moshi, Mtwara, Kigoma, Bukoba, Tanga, and others.

CONCLUSION:

Since 2018, the retail real estate market has become increasingly profitable for investors, with many realizing returns within 36 months of securing tenants. This sector has outperformed both the office real estate market and the residential housing market in terms of profitability.

DRIVERS OF RETAIL REAL ESTATE MARKET GROWTH IN TANZANIA.

1. Rapid Urbanization.

Tanzania has one of the highest urbanization rates in Africa around 5.0%, compared to the global average of 2.1%. This rapid growth of major cities, municipalities, district councils, and small towns is fueling demand for retail real estate and a variety of commercial activities.

2. Increased Consumerism.

Economic growth and the rise of the middle and upper-income classes have led to increased consumer spending. With an average GDP growth of 6.6% since 2012, demand for retail commercial properties is rising as more people have disposable income and seek access to modern retail spaces.

3. Foreign Investment.

There has been a surge in foreign direct investment (FDI) in Tanzania's retail real estate sector. Investments in shopping malls, retail outlets, and global brand franchises such as Game, Splash Stores, KFC, Subway, Choppies, Mr Price, Max, Spurr, Century Cinemax, Manix Stores have accelerated the sector's growth.

4. Population Growth and Housing Expansion.

Tanzania is among the African countries with a high population growth rate (3.1% per year). This rising population increases demand for retail infrastructure, especially in urban centers and along major roads connecting cities and districts. Informal and small businesses are also expanding, further boosting demand for commercial spaces.

5. Growth of E-Commerce.

Internet usage in Tanzania has grown from 12% in 2011 to over 36% in 2015, and currently, more than 22 million people use the internet. On average, 4 to 5 million people access social media daily. The increased use of smartphones and internet access is expanding e-commerce, which in turn is contributing to the growth of retail trade and the demand for commercial retail space.

NOTE:

The retail commercial real estate market in Tanzania is still emerging but is among the sectors with the highest profitability, according to the 2023 Knight Frank Market Updates report.

CONCLUSION:

The growing number of Tanzanians living in urban areas and cities significantly contributes to the expansion of the retail real estate market, especially commercial shop units (storefronts). Statistics indicate that within the next ten years, the urban population will surpass the rural population, making this market more profitable than others such as the

residential housing market (both primary and secondary), office buildings, industrial properties, and hospitality and entertainment facilities.

CHALLENGES FACING THE RETAIL REAL ESTATE SECTOR IN TANZANIA.

1. Government Plan to Build Markets (Central Market Construction).

The construction of central markets by local governments in collaboration with the central government has had mixed effects on the retail real estate sector. For investors and private owners of retail commercial buildings, it has posed a challenge, as many have lost tenants due to traders relocating to newly constructed public markets that offer more affordable space. However, this initiative has been beneficial to small entrepreneurs, providing them with dedicated, accessible spaces to run their businesses. As a result, retail property investors are now required to conduct thorough market research to identify locations with high customer traffic before committing to development.

2. Competition Among Investors and Developers.

The growth of the retail commercial real estate market in Tanzania, especially in major cities like Dar es Salaam, Arusha, Mwanza, Dodoma, Mbeya, and Tanga, has led to increased competition among investors and property developers. As a result, some investors struggle to secure tenants due to various factors such as;

- High rental prices,
- Poor building quality,
- Lack of security in the area,
- Unattractive building design,
- Limited access to social services(eg;water,electricity,etc).

This competitive environment forces investors to improve their efficiency and conduct proper feasibility studies before investing.

3. Government Regulations.

To address the issue of unplanned and unauthorized constructions, the government has increased oversight of retail property development particularly buildings that do not comply with urban planning regulations. Some of the challenges include properties built too close to or within road reserves, structures located in areas without proper road infrastructure, and buildings that lack formal planning approval. As a result, before constructing shops or commercial units, developers must now strictly adhere to approved urban planning layouts, which are recognized by authorities such as TARURA and TANROADS. Failure to comply may lead to demolition of the structures or ineligibility for compensation in case of government development projects.

4. Poor Construction Quality and Weak Buildings.

The construction of retail commercial buildings in Tanzania is often done with low standards. This leads to cracks appearing just a few months after completion and the buildings becoming damaged within a short time. As a result, repairs and renovations are carried out frequently.

Tenants also become concerned about the safety of such weak buildings, which creates fear and hesitation in renting the spaces.

CONCLUSION:

The retail real estate market in Tanzania faces various challenges, but these have not halted its growth. The sector continues to expand steadily. However, to ensure that investments in retail buildings remain profitable, there are several key factors that must be prioritized, including strategic location selection, compliance with urban planning and government regulations, high construction standards, competitive rental pricing, and ensuring security and access to essential services. By addressing these areas, investors can maximize returns and contribute to the sustainable development of Tanzania's retail real estate market.

THIRD MARKET:THE COMMERCIAL- OFFICE BUILDINGS MARKET IN TANZANIA.

THE OFFICE BUILDING MARKET;

This market involves high-rise buildings, commonly known as **skyscrapers**. In TANZANIA, the city of Dar es Salaam leads in having the highest number of tall office buildings.

Currently, there is growing competition from:

1. Dodoma
2. Arusha
3. Mwanza
4. Mbeya

Additionally, cities such as Tanga, Iringa, Morogoro, Moshi, and others also have tall office buildings.

KEY PLAYERS/MAIN INVESTORS IN THE OFFICE AND COMMERCIAL BUILDING MARKET – TANZANIA.

The office and commercial building market in Tanzania is gradually growing, especially in major cities such as Dar es Salaam, Arusha, Mwanza, Zanzibar, Dodoma, Mbeya, and others.

The main stakeholders (investors) in high-rise buildings/skyscrapers are categorized into the following groups:

FIRST GROUP: SOCIAL SECURITY FUNDS

In Tanzania, social security funds have played a significant role in investing in the construction of office and commercial buildings (including skyscrapers and other types of buildings). Examples include:

1.NSSF (National Social Security Fund) – This fund has constructed numerous office buildings in various locations as part of its investment strategy in land, real estate, and other non-movable assets.

2.PSSSF (Public Service Social Security Fund) – This is a merger of former funds such as LAPF, GEPEF, and PSPF. These pension funds have historically invested, and continue to

invest, in the construction of various buildings, particularly office spaces. This is in line with directives from the Bank of Tanzania (BoT), which recommends that 30% of their income be invested in the real estate sector.

SECOND GROUP: FOREIGN INVESTORS

Investment in office buildings (skyscrapers) has also been driven by foreign investors, either as individuals or through companies.

1. Individual Developers

These are private individuals who have come to Tanzania and successfully developed many office buildings. Countries from which these investors originate include Kenya, South Africa, the United States (US), the United Kingdom (UK), India, and the Netherlands. Others include Botswana, Kuwait, Oman, and the United Arab Emirates (UAE), among others.

2. Private Companies

Various private companies have invested in the construction of office buildings, especially in Dar es Salaam, Zanzibar, and Arusha. Additionally, these companies have played a major role in property management and real estate asset oversight. Notable examples of such companies include Knight Frank, Cytonn Real Estate, Ernst & Young, among others.

THIRD GROUP: LOCAL INVESTORS

(Nationals Investment)

Local investors have also contributed to the development of high-rise buildings, although to a lesser extent compared to institutional or foreign investors. Examples include:

A. High Net Worth and Upper-Class Individuals – These are wealthy Tanzanians who have invested in the construction of office buildings in various locations across the country.

B. Special Groups and Individuals – These include religious, social, and economic groups (such as banks, SACCOS, the ruling party CCM, etc.), as well as community cooperatives and individual investors. These groups have constructed office buildings in different parts of the country.

NOTE:

The office building market requires substantial capital and high-level management to ensure that the buildings generate profit making it a capital-intensive investment. When this type of investment is undertaken by a company, it tends to be more profitable compared to individual investors. This is mainly due to the advantage of structured and professional management.

CONCLUSION:

The city of Dar es Salaam will continue to lead the market for high-rise office buildings. However, in the next ten years, its main competitor is expected to be the city of Dodoma. You can invest in this market, as it still offers significant investment opportunities especially in various cities and urban centers across the country.

CHALLENGES HINDERING THE GROWTH OF THE OFFICE BUILDING SECTOR IN TANZANIA

The market for high-rise office buildings faces several challenges, leading to a slower growth rate compared to other markets such as residential housing or retail property.

The following are among the challenges facing the development of office building market in Tanzania.

CHALLENGE #1: HIGH CONSTRUCTION/ACQUISITION COSTS

Office buildings are expensive to construct or acquire. The cost of building or purchasing such properties is significantly high, and only a few individuals or companies can afford to own them. For example, the construction of large skyscrapers requires substantial capital investment something that many Tanzanians cannot afford. This limits the number of local investors in the sector.

CHALLENGE #2: HIGH RENTAL RATES

Office buildings often come with high rental costs, which discourage many potential tenants and results in low occupancy rates leading to reduced income and profitability for landlords. For instance, in 2022 and 2023, the average rental rate for office space in Dar es Salaam (Posta area) was around USD 19.1 per square meter, compared to USD 9.75 in Nairobi (Kenya) and USD 15 in Kampala (Uganda). This pricing gap makes cities like Nairobi more attractive to international tenants such as foreign embassies, United Nations agencies, and large corporations, drawing them away from the Tanzanian market.

CHALLENGE #3: GEOLOGY AND NATURE OF THE AREA

High-rise buildings (skyscrapers) in East Africa can only be constructed in a limited number of locations due to geological constraints particularly the presence of the Great Rift Valley. Cities located near or within the Rift Valley are often restricted from constructing tall buildings due to the risk of earthquakes and the potential damage they can cause. This geological limitation reduces the number of suitable areas for skyscraper development, thereby hindering the growth of the office building sector in those regions.

CHALLENGE #4: POOR CONSTRUCTION QUALITY AND URBAN PLANNING (Improper Building & Zoning)

There have been many reported cases of building collapses in Tanzania, mostly due to poor construction practices such as failure to follow proper architectural and engineering standards, or the use of substandard building materials. These incidents result in significant financial losses. The collapse of buildings creates fear among potential tenants, leading to low occupancy rates in some office buildings due to safety concerns. Additionally, urban planning in many major cities across the country is still underdeveloped or poorly implemented, which poses a challenge for sustainable high-rise development and proper zoning of commercial spaces.

NOTE:

The demand for Grade A and Grade B office buildings is high in major and strategic cities across the country. These premium and mid-level office spaces are especially sought after by

corporate organizations, government institutions, NGOs, and international firms operating in key urban centers.

CONCLUSION:

Both major and smaller cities require proper urban planning to ensure that the construction of high-rise buildings enhances the aesthetic and functional appeal of urban areas similar to leading global cities such as New York, Tokyo, London, Johannesburg, Mumbai, Shanghai, Singapore, and Dubai. A well-designed and visible **skyline** contributes significantly to the beauty and identity of a city.

GROWTH DRIVERS OF THE OFFICE BUILDING MARKET IN TANZANIA

DRIVER #1: STABLE ECONOMIC GROWTH

Tanzania is among the few Sub-Saharan African countries experiencing sustained economic growth averaging 6.6% since 2012. This growth is supported by political stability, peace, and a favorable investment climate backed by business-friendly policies. These conditions encourage investment in real estate, particularly office buildings.

DRIVER #2: HIGH FOREIGN DIRECT INVESTMENT (FDI)

According to Ernst & Young (EY), Tanzania has consistently attracted the highest FDI inflows in East Africa between 2016 and 2022, receiving an average of USD 1.4 billion annually, compared to USD 1.1 billion for Kenya and USD 541 million for Uganda. This growth in FDI is largely attributed to expansion in key sectors such as telecommunications, manufacturing, energy, transport infrastructure, and natural gas exploration. As a result, the demand for Grade A and B office spaces by foreign investors is increasing.

DRIVER #3: GROWTH OF SMEs AND THE PRIVATE SECTOR

The rapid expansion of Small and Medium Enterprises (SMEs) and the broader private sector particularly in technology, telecommunications, finance, and manufacturing has significantly increased the demand for office spaces. According to the World Bank, Tanzania has over 35 million active SMEs, including individual entrepreneurs and companies, contributing around 27% of the country's GDP. Access to affordable financing from institutions like the African Development Bank (AfDB) and other development partners' further supports private sector growth and drives demand for office buildings.

DRIVER #4: INFRASTRUCTURE DEVELOPMENT

The growth of robust infrastructure including roads, railways, airports, and ports has greatly improved accessibility and logistics, making it easier to transport materials and access key markets. Cities such as Dar es Salaam, Mwanza, Arusha, Tanga, Mbeya, Mtwara, and Kigoma have become more connected to the rest of the country, attracting both local and foreign investment in office buildings.

DRIVER #5: INVESTMENT BY DOMESTIC SOCIAL SECURITY FUNDS

Local social security funds such as the National Social Security Fund (NSSF) and the Public Service Social Security Fund (PSSSF) (formed through the merger of LAPF, GEPF, and PSPF) have been major drivers of office building development. These funds have heavily invested in office buildings, especially in major cities like Dar es Salaam, Mwanza, Arusha, and Tanga. Their involvement helps lower rental costs for public offices, offers competition to private developers, and stabilizes the market by offering affordable rental rates for tenants.

NOTE:

Foreign Direct Investment (FDI) and the growth of Small and Medium Enterprises (SMEs) along with the establishment of various companies are the key drivers behind the increasing demand for office buildings in Tanzania. As more businesses are launched and foreign capital flows into the country, the need for modern, well-located office spaces continues to rise especially in major urban and commercial centers.

CONCLUSION:

Investment in office buildings and high rise structures requires substantial capital and extensive management. Moreover, it is easier to attract clients (tenants) in large cities than in smaller towns, hence it is important to CHOOSE THE MARKET wisely.

**FOURTH MARKET: HOSPITALITY AND RECREATIONAL PROPERTY MARKET.
HOSPITALITY SECTOR.**

The market for Hospitality and Recreational Properties in Tanzania continues to grow and shows signs of becoming a competitive space among both local and foreign investors. The Hospitality, Tourism, and Entertainment Property Market is highly competitive in terms of growth, especially in major and smaller cities, tourist destinations, national parks, coastal areas, and natural scenic locations such as mountains and forests.

Types of Hospitality Properties.

1. Hotels.

All hotel buildings fall under the Hospitality Sector, and this includes hotels of all standards and categories.

2. Guest Houses.

Guest houses are among the buildings classified within the Hospitality Sector.

3. Lodges.

These are improved guest accommodation properties popularly known as lodges. The difference between guest houses and lodges is minimal largely based on perception, with lodges often seen as more scenic and comfortable for overnight stays.

4. Inns / Small Hotels.

These are hospitality buildings that have not yet reached full hotel status, but their room services are equivalent to 1-star, 2-star, or 3-star hotels.

5. Recreational Properties.

These include properties such as:

- A. Night Clubs – Entertainment venues and buildings related to clubbing.
- B. Swimming Pool Facilities – Premises designed for swimming and related activities.
- C. Casinos and Gambling Facilities – Similar to nightclubs but primarily intended for gambling, betting, or gaming activities.

6. Food Service Properties (Restaurants, Cafés, and Cafeterias).

These are buildings that provide food services to large groups of people, such as:

- 1. Cafeterias – Often serve students or single groups.
- 2. Restaurants – Serve a wide variety of individual customers.
- 3. Cafes – Specialize in beverages like coffee and light meals.

7. Low-Cost Accommodation Properties (Hostels, Motels, and Dormitories).

These are hospitality properties offering budget accommodation, also part of the hospitality sector.

8. Conference and Convention Centres.

Meeting halls and convention centers also fall under the Hospitality Sector due to their service-oriented nature in hosting events and conferences.

Conclusion; In Tanzania, the market for Hospitality, Tourism, and Recreational Properties is highly competitive, particularly in major cities such as Dar es Salaam, Arusha, and Zanzibar.

Key Drivers of Growth in the Hospitality Sector.

The hospitality sector has been closely linked to tourism and security. The following are the key drivers of growth in Tanzania's hospitality sector.

1. Growth of Tourism.

The increase in both domestic and international tourists leads to growth in the hospitality sector. Wildlife parks, beaches, mountains, and scenic natural areas attract various tourists. **For example**, between 2012 and 2016, the number of tourists increased from 800,300 to 980,000. And from 2017 and 2021, the growth was more moderate.

However, between 2021 and 2024, the number of visitors to tourist attractions rose sharply, making Tanzania one of the African countries with the highest number of tourists, with cities like Zanzibar and Arusha leading in tourism.

2. Political Stability, Peace and Security.

Tanzania is among the few African countries with political stability, peace, and security. This has made Tanzania a preferred destination for East African tourists compared to Kenya or Uganda, where security remains a concern.

Note;This does not mean Tanzania is free from social issues, but the level is relatively low.

3. Heavy Marketing Strategies.

Several initiatives have been taken to promote Tanzania's tourism and hospitality sector; including:

- Formation of the Tanzania tourist board;which lounched a digital/electronic marketing campaign aimed at attracting tourists from the USA,Germany,Italy,the UK, etc.
- Bilateral partnerships;with countries such as Mauritius and Germany to promote Tanzania's tourist attractions.
- Establishment of the Tanzania Safari Channel;A national tourism TV channel aimed at promoting domestic tourism and encouraging Tanzania's to visit national attractions and learn about cultural heritage.
- The creation of the tourism documentary;The Royal Tour featuring president SAMIA SULUHU HASSAN,which significantly boosted global awareness of Tanzania's attractions.

Example;Serengeti National Park has been ranked the bst Park in Africa and the world three times in a row,surpassing Kruger(south Africa),Maasai Mara(Kenya),and Okavanga(Botswana).The film also repositioned Zanzibar as a top Africa tourism destination.

4. Government's Role in Improving Infrastructure.

The government has continued to improve old infrastructure and build new modern infrastructure to make tourist destinations accessible.

Examples includes;

- airport construction, bridges, purchasing passenger planes, road and railway repairs.
- Launch of the Standard Gauge Railway (SGR), which is expected to boost tourism.
- Acquisition of passenger aircraft.
- Rehabilitation of railways.

5. Private Sector Investment.

Local and foreign private investors are actively participating in developing the hospitality sector.

They contribute by;

- Building hotels and hospitality facilities.
- Running companies,especialy in regions like Arusha and Zanzibar.

6. Increase in Income and Interest among Tanzanians to Visit Tourist Attractions.

A growing middle and upper-income class in Tanzania has led to;

- Increased spending power.
- A growing interest in leisure travel among Tanzanians, especially during holiday seasons.

For instances; there is an increase in domestic tourists during holiday months.

Conclusion.

The Royal Tour, the efforts of private stakeholders in the tourism sector, and the government's efforts greatly help grow the hospitality and entertainment property market in Tanzania.

Challenges Hindering the Growth of the Hospitality Property Sector in Tanzania.

Challenge #1: Poor Infrastructure (Deteriorating Infrastructure).

According to a 2022 study by TBS and international tourists about Tanzania's infrastructure, only 40% of tourists were satisfied with the tourism infrastructure and hospitality property market in Tanzania. 60% were dissatisfied with the existing infrastructure and requested improvements such as roads, hotel services, security, airports, bridge construction, better customer service especially in wildlife parks, beach safety, mountain climbing facilities, etc.

Survey findings;

- Mainland Tanzania; infrastructure quality is rated at 48.5%.
- Zanzibar(islands);Rated slightly better at 56%, but this is mostly due to Mjini Magharibi Region,which scored 85%. Other region such as Unguja South and North,and Pemba South and North were all below 50%.

challenge #2: Increased Costs Due to VAT Charges.

In 2016, the Tanzanian government imposed VAT on tourism services as a way to increase revenue in the tourism sector.

As a result this move to;

- A decline in tourist arrivals.
- A negative impact on the hospitality and recreational property market,
- Ongoing concerns among some tourists about potentially rising costs.

Challenge #3: Political Uncertainty During Elections, Especially in Zanzibar.

Zanzibar's tourism sector becomes unstable during and after elections due to security concerns.

Example;In 2015/16, tourist numbers dropped by 26%.

In 2000, Zanzibar's tourism was severely affected by political and election-related issues.

Challenge #4: Low Motivation for Domestic Tourism.

Many Tanzanians have not been encouraged to visit tourist attractions such as wildlife parks due to economic challenges or lack of a travel culture.

This may be due to;

- Economic hardships, or
- A general lack of tradition or culture of traveling for leisure within the country.

Note; There is relatively high interest in visiting beach destinations compared to other attractions.

NB; Both the Union Government and the Zanzibar Government are making strong efforts to improve the tourism sector. For instance, In Zanzibar, tourism is the leading contributor to the regional GDP.

CONCLUSION; The hospitality property sector in Tanzania is growing rapidly, especially in cities and regions with rich tourist attractions. This growth is fueled by increasing tourism activity, government and private sector investment, and the rising demand for accommodation and entertainment facilities in popular destinations, i.e, Dar es Salaam, Zanzibar, and Arusha.

THE FIFTH MARKET: LAND SUB-SECTOR MARKET.

The land market involves land that has no buildings, empty land or open spaces surrounded by buildings.

TYPES OF LAND ACCORDING TO SURVEY STATUS.

1: SURVEYED LAND.

In Tanzania, only 15% of the land has been surveyed. Surveyed land shows the specific plot number, block, location (City/Municipality/Town, Ward, Street, etc.), and its measurements such as coordinate points (Easting & Northing, Latitude & Longitude, UTM, etc.) on a map.

2. NON-SURVEYED LAND.

This refers to land that has not been surveyed and lacks basic information about the specific area. More than 84.67% of land in the country remains unsurveyed.

DISTRIBUTION OF LAND IN TANZANIA:

In Tanzania, land is categorized into the following three main groups:

1. GENERAL LAND.

This includes land found within City Councils, Municipalities, Towns, and Small Townships, as well as areas near urban centers.

2.RESERVED LAND.

Reserved land is divided into three main parts:

A. Wildlife and Forest Reserves Land.

This land is set aside for the conservation of wildlife, forests, and natural vegetation.

B. Military Land.

This land is designated for use by the Tanzania People's Defence Force, National Service, Police Force, etc., for their operations.

C. Government Land Bank.

This land is reserved for future government use and development.

3.VILLAGE LAND.

This land is allocated to villages and is governed under customary law. Each village has a different land size based on various criteria from both pre- and post-colonial periods. Many villages were established during the era of Ujamaa (socialism and self-reliance) under the leadership of the Father of the Nation, Mwalimu Julius K. Nyerere.

Currently, there are over 8,400 villages with recognized land ownership in the country.

CONCLUSION:

Tanzania possesses vast land compared to other East African countries. However, land ownership in urban areas is highly competitive due to the rapid urbanisation rate. This trend paints a clear picture that in the next 30 years, land ownership will be highly competitive, as land usage continues to increase significantly both by citizens and the government.

FIVE MAIN BENEFITS OF INVESTING IN REAL ESTATE:

1.Appreciating in Value.

Land and property values tend to increase over time.

2.Store of Value of Currency.

Real estate helps preserve the value of money by acting as a stable investment.

3.Indirect Impact of Inflation.

Real estate is less directly affected by inflation compared to other assets.

4.Artificial Appreciation through Properties.

The value of land can increase through the development of buildings and infrastructure.

5.Competitive Demands.

There is a growing demand for real estate, making it a competitive and potentially profitable investment.

ECONOMIC BENEFITS OF INVESTING IN REAL ESTATE:

1.Forced Appreciation.

Enhancing and increasing the value of assets over time for example, renovating a house or building can raise its rental value for tenants.

2. Tax Dodge or Tax Avoidance (Legally).

Legally, an investor may pay less tax or even be exempted from tax by the government as an incentive for contributing to national development through housing or infrastructure projects. This practice is common in many countries where real estate developers are granted tax reliefs to support public development goals.

3. Influence on Self-Esteem and Confidence.

Owning buildings or houses boosts the owner's self-confidence. While it may seem like a minor benefit, it plays a major role in one's economic, social, political, and even cultural growth due to the influence and status it brings.

4. Ability to Change Property Use.

Real estate offers flexibility for example, a residential house (for living or renting) can later be converted into business premises like shops or a lodge, especially as population and demand grow.

5. Generational Wealth.

Real estate assets often benefit more than one generation.

Example: Wealthy families in Florence, Italy from the 1600s still own buildings passed down to their descendants.

Similarly, many Indian families in Kariakoo, Dar es Salaam, inherited buildings from their forefathers who built them before Tanganyika's independence.

DRIVERS OF LAND USE GROWTH IN TANZANIA.

1. RAPID POPULATION GROWTH.

Tanzania is among the fastest-growing populations in Africa, with a growth rate of 3.1% per year. This large population increase contributes to a significant rise in land usage across the country.

2. URBANISATION.

Urban population growth in Tanzania exceeds 5.9%, with 34.3% of the population living in urban areas by 2020. It is projected that by 2040, over 50% of the population will reside in urban areas. The main reason for this urban growth is the migration of youth from rural areas in search of jobs and better living conditions. Additionally, some rural areas are developing into small towns, all of which increase land consumption.

3. INCREASING HUMAN ACTIVITIES.

A. CONSTRUCTION OF SETTLEMENTS.

The rising population drives the demand for housing, which significantly increases land usage.

B. COMMERCIAL INVESTMENT IN PROPERTIES.

There is growing investment in various types of buildings, especially in the hospitality sector (e.g., hotels), retail (shops), high-rise buildings, guest houses, restaurants, entertainment and conference venues all of which require land.

C. INFRASTRUCTURAL DEVELOPMENT.

The government has heavily invested in infrastructure to attract further investment.

Examples include:

- Tarmac roads connecting regions, towns, districts, and zones.
- Bridges, bus terminals, and the Bus Rapid Transit (BRT) system.
- The ongoing construction of the Standard Gauge Railway (SGR).
- Urban and rural roads via TARURA (Rural and Urban Roads Agency).

These developments have opened up many areas, facilitating real estate investment by reducing transport costs, improving logistics, and easing access to construction materials all of which increase land usage.

D. GROWTH OF ADMINISTRATIVE AND POLITICAL ACTIVITIES

As population and settlements grow, so do political and administrative needs.

This leads to construction of:

- Government leaders' offices
- Residential houses for leaders
- Political party offices

In Tanzania, the increase in the number of regions and administrative divisions has led to the need for more government facilities and thus greater land use.

CONCLUSION:

The various uses of land in Tanzania are rapidly increasing, signaling the importance for every individual to secure a Land Title Deed, in order to be formally recognized as a rightful landowner.

FIVE FUNDAMENTAL THINGS ONE MUST HAVE TO SUCCEED IN INVESTMENT:

1. KNOWLEDGE.

Having the right understanding of what you're investing in is essential.

You must be well-informed about the specific type of investment you're pursuing.

2. SKILLS.

To succeed in any investment, you must know how to do it.

Note: Success in anything requires having the right set of skills to execute your plans effectively.

3. RESOURCES.

Different kinds of resources are what enable you to succeed in an area where you already have knowledge and skills.

Note: Resources such as time, money, people, equipment, systems, and mindset are all critical in any kind of investment.

4.NETWORK AND CONNECTIONS.

Your relationships with people play a vital role in building and sustaining your investment. In today's world, "who you know" can be just as important as what you know. Strong connections can open doors to opportunities, partnerships, and support.

5.REPUTATION.

Beyond your knowledge, skills, resources, and connections, what also matters is:

How do people perceive you?

Your reputation shapes how others trust and engage with you.

Note: When people believe in you and appreciate what you do, success often follows more quickly although building a strong reputation takes time and consistency.

BASIC STEPS BEFORE MAKING ANY INVESTMENT IN REAL ESTATE:

1.PREPARATION.

Whether you want to build a residential house, buy a home, or build and purchase commercial buildings, you must prepare for:

- i. The costs of the building, house, and land.
- ii. Proper selection of location.
- iii. Criteria based on your economic activities or investment purpose.

2.SUSTAINABLE PLAN TO SAVE MONEY.

Before investing in land, buildings, or houses, it is advisable to have savings to start your investment process. Having a sustainable plan to preserve money is crucial before building or buying any property.

3.BUYING LAND.

Once you have accumulated a certain amount of money, the next step is to purchase land according to your income, the importance of the investment, and the choice of location.

4.STARTING CONSTRUCTION OR BUYING A BUILDING.

After purchasing the plot, you can begin construction if ready. Alternatively, you can directly buy an existing building, though each option has its own advantages and disadvantages.

CONCLUSION:

Investment in REAL ESTATE that is, land, houses, and buildings requires many factors, which is why the process is more complex compared to other sectors.

KEY FACTORS & CRITERIA AN INVESTOR SHOULD CONSIDER BEFORE BUYING LAND.

I. ESSENTIAL FACTORS;

1.INFRASTRUCTURE.

Availability of essential infrastructure, especially roads. Other crucial infrastructure includes railways, airports, and ports, which support daily operations and long-term investment value.

2.SOCIAL SERVICES.

A. Basic Services:

Presence of clean water, electricity, and other utilities.

B. Developmental Services:

Access to schools, hospitals, shops & markets, sports grounds, and financial services such as banks and mobile money agents.

3.LAND & AREA SECURITY.

A. Dispute-Free Land:

The land should have no history of conflicts or ownership disputes.

B. Safe Neighborhood:

The area should be free from criminal groups or high crime rates.

C. Natural Disaster History:

The land should not be prone to natural disasters like earthquakes or volcanic eruptions though it's important to note that natural disasters can occur anywhere.

D. Environmental Safety:

Land should be free from toxic chemicals and environmental pollution that may affect human health or future development.

4.AVAILABLE OPPORTUNITIES.

A. Economic Activities:

Presence of various businesses, companies, and signs of urban growth (urbanisation) indicate potential for returns on investment.

B. Social Activities:

High population density opens opportunities for developing social facilities like churches, mosques, institutions, event and conference halls, etc.

5.LEGAL & SECURITY INSTITUTIONS.

Accessibility to police stations, courts, and government offices ensures legal protection, order, and administrative support for your land and future developments.

6.GOOD LANDSCAPE / ENVIRONMENT.

Look for land in a peaceful and well planned area, with an attractive environment (e.g., quiet neighborhoods, hillside plots, scenic views, etc.).

Plots in appealing parts of a city especially those on elevated or prime locations usually have higher value and greater investment appeal.

II. CRITERIA;

1.LEGALLY OWNED LAND.

The land must be legitimately owned, whether surveyed or unsurveyed. Both the buyer and seller must engage in transactions involving legally recognized ownership.

2.EASILY ACCESSIBLE LAND.

Land should be reachable through proper infrastructure, especially roads whether in urban areas or outskirts.

Even for agricultural land (farms), it should be in locations that are easy to access.

3.VALID DOCUMENTATION.

Legally owned land must have authentic documents. In various parts of the country, some plots or farms have forged or fake documents, leading to ownership conflicts and disputes.

4.LAND DESIGNATED FOR SPECIFIC USE.

It is very important to know the zoning and designated land use before buying especially in urban areas and conservation zones.

Example: Many people unknowingly buy land in reserved areas or open spaces (OS) which are not meant for private development.

5.ACTUAL LAND VALUE & BUDGET.

Know the actual market value of the land in the area before making a purchase.As a buyer, you must have a realistic budget to make informed decisions.

Example: If your budget is limited and you wish to buy land in a city, it may be wiser to opt for land on the outskirts, where development is growing rapidly, instead of taking unnecessary debt just to buy land in the city center.

CONCLUSION:

Investment in real estate, especially in land or plots, is one of the most productive investments and has a high potential to preserve money and generate profit over time, with fewer risks compared to other types of real estate.

Start buying land or plots.

MAIN BENEFITS OF INVESTING IN LAND:

1.INCREASE IN LAND VALUE (Appreciate in Value).

Land value rises due to urban growth, population increase, infrastructure development, and the establishment of residential areas and government offices.

2.ACCESS TO LOANS.

Owning land or buildings with a valid title deed allows you to use them as collateral to secure loans from banks and financial institutions.

3.DEVELOPING RESIDENCE.

Land ownership makes it easier to build your own home and establish a permanent settlement.

4.OPPORTUNITY TO INVEST IN REAL ESTATE PROPERTIES & ASSETS.

Land can be developed for commercial buildings, entertainment venues, tourism projects, residential rentals, or industrial sites.It can also be used for agriculture.

5.STORE OF VALUE FOR MONEY.

Land acts as a hedge against inflation, meaning it helps preserve the purchasing power of your money over time.Unlike cash in banks, which is subject to fees, inflation, and low interest returns, land value typically increases.

Example: Someone who bought land in Mwenge, Dar es Salaam, for TSh 13 million about 10 years ago has now sold it for TSh 300 million, making a profit of over 2208%.

If the same money had been saved in a bank account (even with interest), it likely wouldn't have exceeded TSh 20 million due to deductions, account maintenance fees, and inflation (which ranged from 3.5% to 8% over that period).

6. INHERITANCE POTENTIAL (High Chance to Inherit).

Land is one of the few assets that can be passed down from one generation to another. It holds lasting value and can serve as a foundation for generational wealth, allowing families to build long-term security and legacy.

CONCLUSION:

Investment in REAL ESTATE especially in the land sector requires patience and a deep understanding of the market. Returns may not be immediate, but with the right knowledge and long-term vision, it is one of the most secure and profitable investments you can make.

THE SIXTH MARKET: INDUSTRIAL BUILDINGS MARKET (Industrial Sector).

The Industrial Buildings Market is among the fastest growing markets in various areas of Tanzania, especially in regions with the relevant resources. For example, Dar Es Salaam, Pwani, Mwanza, Tanga, Mbeya, etc., have significant industrial growth.

GROWTH DRIVERS OF THE INDUSTRIAL SECTOR.

1. RAPID POPULATION GROWTH.

Tanzania is among the African nations with high population growth (3.1% per year). The large population leads to increased and extensive land use in the country.

2. URBANISATION.

The growth rate of the urban population is over 5.9% (Urban population rose to 34.3% in 2020), and it is estimated that by 2040, the number of urban residents will exceed 50%.

The main reason for urban growth is due to a large group of youth migrating from rural areas to towns (Rural–Urban Migration) in search of jobs and a better life, as well as starting families. Also, some rural areas are growing into small towns. All these factors contribute to increased land use.

3. INCREASING HUMAN ACTIVITIES.

A. SETTLEMENTS.

The increase in population contributes significantly to the growth of settlements and land use.

B. COMMERCIAL INVESTMENT OVER VARIETY PROPERTIES.

Construction of various buildings, especially investments in hospitality sector properties (tourism such as hotels), shops, high-rise buildings, guest houses, restaurants, entertainment & conference facilities. The construction of different types of buildings contributes to increased land use.

C. INFRASTRUCTURAL DEVELOPMENT.

The government has invested in infrastructure development to attract investment. For example, the construction of tarmac roads to connect regions, cities, districts, and zones. Also, construction of bridges, bus terminals, the Bus Rapid Transit (BRT) system, the ongoing construction of the Standard Gauge Railway (SGR), and urban roads through the Tanzania Rural and Urban Roads Agency (TARURA), etc.

This infrastructure has made various areas more accessible and facilitated housing development by reducing transportation costs, travel time, and improving access to construction materials, thereby increasing large-scale land use.

D. ADMINISTRATIVE AND POLITICAL ACTIVITIES.

The growth of settlements and population, along with their economic or social activities, contributes to the expansion of administrative and political activities, such as:

- i. Construction of leader's offices.
- ii. Construction of leader's residences.
- iii. Construction of political party offices.

In Tanzania, the increase in the number of regions leads to the construction of various offices and increased land use.

KEY DRIVERS.

- i. **Increase in DEMAND** – The rise in population contributes to the growth in demand for basic needs, starting from food, clothing, and various items for daily use.
- ii. **Economic Growth** – The increase in the number of middle- and high-income earners creates opportunities for various products, which contributes to economic prosperity. For example, in urban areas, people earn incomes sufficient to afford the purchase of different goods.

TEN (10) REGIONS / CITIES WITH MANY INDUSTRIES.

1. Dar Es Salaam
2. Pwani / Kibaha
3. Mwanza
4. Tanga
5. Arusha
6. Mbeya
7. Iringa

8. Kilimanjaro / Moshi
9. Mtwara
10. Njombe

CHALLENGES IN THE INDUSTRIAL BUILDINGS MARKET.

1. **BUILDINGS REQUIRE LARGE SPACES** – The industrial buildings market requires large areas for construction. The challenge is that urban areas have the necessary services for industrial operations but offer only limited space.
2. **HIGH CONSTRUCTION & OPERATION COSTS** – The construction of industrial buildings is expensive and requires substantial capital. Operating industrial buildings is also costly, including investments in machinery, energy, and raw materials for processing (manufacturing products).
3. **URBAN PLANNING ISSUES** – The construction of industrial buildings is highly affected by urban planning matters, where urban planning experts often designate industrial areas far from the city.

GENERAL CONCLUSION:

In Tanzania, all land is publicly owned and vested in the President, meaning individuals and entities hold a right of occupancy or a leasehold rather than a freehold title. The real estate market includes residential, commercial, and land investments, with major activity concentrated in cities like Dar es Salaam, Dodoma, and Arusha, and the island of Zanzibar.

Investment opportunities by property type

Residential properties: The market is seeing high demand for luxury beachfront properties, apartments, and affordable housing. Major residential development projects are located in upscale Dar es Salaam neighborhoods like Masaki and Oyster Bay.

Commercial properties: Options include office space, warehouses, and hotel properties, particularly in prime commercial areas and tourism hotspots.

Land and plots: Both surveyed and unsurveyed land are available in urban and developing areas, such as Tabata in Dar es Salaam, Makurunge in Bagamoyo, and Dodoma. The legal requirements for land acquisition differ for citizens and foreigners.

How foreigners can acquire property

Foreigners are prohibited from outright land ownership in Tanzania, but they can legally acquire property through several pathways:

Derivative right of occupancy: Foreign investors can secure a derivative right of occupancy (effectively a long-term lease) for land designated for investment purposes. This requires registering an investment project with the Tanzania Investment Centre (TIC).

Through a Tanzanian company: A foreigner can form a Tanzanian-registered company to hold land, though the company must be majority-owned (at least 51%) by Tanzanian citizens.

Strata title apartments: Foreigners can purchase apartments or condominiums with a strata title, which grants individual ownership of the unit. The law permits foreign entities to own up to 70% of the units within a building.

Residence permit class C-11: Introduced in 2024, this permit allows a foreigner to obtain residency by purchasing a house worth at least \$100,000. It requires a recommendation from the TIC or the Zanzibar Investment Promotion Authority (ZIPA) and proof of purchase.