

UNITED REPUBLIC OF TANZANIA: KEY TALKING NOTES AT THE HIGH LEVEL DIALOGUE ON ADEQUATE HOUSING FOR ALL: A FOCUS ON THE NEXT STRATEGIC PLAN OF THE UNITED NATIONS HUMAN SETTLEMENTS PROGRAMME FOR THE PERIOD 2026–2029

Date: 29 May 2025

Time: 15:00 -18:00 pm

Like many other African countries, Tanzania is also experiencing rapid urbanization with strong implications for urban planning, housing delivery, land administration, infrastructure/service provision and environmental management toward achieving Sustainable Development Goals (SDGs) by 2030. Over the last 50 years, Tanzania's urban population grew substantially from 6.4 % in 1967 to 34.9 % in 2022 and is expected to increase even faster to 49% in 2040, thus becoming one of the fastest urbanizing countries in sub-Saharan Africa.

1. How can adequate housing policies drive poverty reduction, job creation, climate action, and recovery from crises? What successful models exist, and what innovations or reforms are needed?

Adequate housing policies are at the heart of Tanzania's national development strategy. Through a range of legislative, institutional, and financing reforms, the Government is positioning housing as a tool for poverty reduction, economic inclusion, and resilience. Key initiatives include:

- (a) Ongoing review of the National Human Settlements Development Policy(2000), which is under review instituted establishment of Housing Cooperatives and Revolving Housing Loan Fund for Public servant (About **10 billion TZS** lend to public servants)
- (b) Establishment of Tanzania Mortgage Refinance Company for lending affordable to financial institutions in the country for providing housing loans (about 31 financial institutions landed about **659 billion TZS** and 5000 people have been benefited;
- (c) The enactment of the Mortgage Financing Act (2008) has expanded access to housing finance, though high interest rates and collateral requirements limit low-income participation;
- (d) The World Bank Housing Finance Project has mobilized \$100 million, growing mortgage lending, but affordability remains a challenge.
- (e) The Housing Microfinance Fund (HMFF), which has provided \$18 million in small loans, benefiting 1,400 households, though interest rates (15–18%) need reduction.

- (f) The National Programme for Regularization and Prevention of Unplanned Settlements creating over **1,578,667** plots and more than 420,000 households have received property documentation. However, access to infrastructure like water and electricity remains a major cost burden.
- (g) The enactment of the Unit Titles Act, 2008 enabling individual ownership of units in multi-family buildings, promoting vertical development and efficient land use. It enhances tenure security, allowing families to use property as collateral, thus improving economic stability.
- (h) In harnessing the potentials for sustainable urbanization, in March 2025, Tanzania launched the New revised National Land Policy of 1995 (2023 Edition).
 - ❖ The new policy will strengthen land governance, ensure fair access to land, and promote sustainable land use practices. It also seeks to enhance land tenure security, attract investments while ensuring provision of secured land for affordable housing investments through innovative construction techniques and public –private partnerships.
- (i) Reforms must now focus on lower financing costs, expand infrastructure subsidies, and scale microfinance models.**

2. How can member states increase cooperation with communities, banks, and developers to maximize their contribution?

- (a) The Government of Tanzania works with private developers and financiers to provide housing solutions. However, Member States are urged to strengthen land-use planning to enable serviced land availability, provide regulatory incentives to attract developers into low-income housing markets and encourage cooperative housing and microfinance to enhance affordability and inclusion.
- (b) In case of Tanzania, the existing National Human Settlements Development Policy (2000) which is currently being reviewed gave provisions which allows public-private partnership and for individual participation in housing construction and developments to encounter existing Government budgetary deficient in housing provision.
- (c) In this regard, the government has been working actively in the promotion of sustainable urbanization by ensuring of availability of planned plots, putting the needed infrastructure and basic services; and also focusing on providing favorable policies towards attracting affordable housing financing, promoting low emission urban transport systems, floods management systems; greening the cities initiatives and clean energy technologies for power generation.

- (d) Likewise, the New Revised National Land Policy launched in March 2025 by **Her Excellency Dr. Samia Suluhu Hassan**, the President of the United Republic of Tanzania, will enhance the government's efforts on Public-Private Partnership and is seen as a "masterstroke" that will open a new chapter in Tanzania's real estate sector.
- (e) The high cost of formal financing options and limited affordable housing supply still remain challenges to many families of our developing countries. To address the challenges, Tanzania also established Tanzania Mortgage Refinance Company (TMRC) to enhance Public- Private Partnership in housing financing. TMRC has the objective of supporting financial institutions to do mortgage lending by refinancing Primary Mortgage Lenders' (PMLs') mortgage portfolios.
- (f) Tanzania believes there is tremendous potential in developing countries housing finance market to reach low-income families.
- (g) Tanzania is committed to this initiatives which are seeking to address affordable housing challenges, especially for the low-income section of the population who have an even bigger challenge accessing formal mortgage loans due to their income levels.
- (h) This discussion is a key step to realizing that goal in developing countries and will be instrumental and good step in unlocking new housing finance opportunities for low-income families.

3. What successful models exist for financing housing interventions?

- (a) The enactment of the Mortgage Financing (Special Provisions) Act, 2008, which allows access to long-term housing finance. However, due to high interest rates and collateral requirements, low-income households do not benefit from this legislation.
- (b) The World Bank Housing Finance Project has mobilized \$100 million, growing mortgage lending and created the Tanzania Mortgage Refinance Company (TMRC), increasing participating banks from 3 to 32 (2009–2019). TMRC has improved liquidity but faces high interest rates (16–18%).

4. How can member states support UN-Habitat's 2026–2029 Strategic Plan for adequate housing?

Tanzania fully supports the implementation of the UN-Habitat Strategic Plan (2026–2029) and the resolution on Adequate Housing for All. Tanzania commits to:

- (a) Expansion of successful domestic models, including the Housing Finance Project (HFP) and the Housing Microfinance Fund (HMFF);
- (b) Provision of national data, case studies, and policy insights via the Adequate Housing Platform;
- (c) Technical collaboration with the Intergovernmental Working Group to scale inclusive housing strategies; and
- (d) Commitment to informal Settlements regularization and upgrading, and continue to enhance legal frameworks for affordable housing development.

We also wish to recommend the following actions:

- (a) Establish a Global Affordable Housing Financing Facility
A UN-Habitat-led facility could pool concessional resources, attract private capital, and support national housing banks or refinance entities;
- (b) Expand funding for micro-housing finance (like HMFF) that reaches informal workers and underserved groups where market-based solutions alone have proven insufficient.
- (c) Help countries reduce end-user mortgage rates from commercial levels (currently 16–19% in Tanzania) to more affordable thresholds through subsidies or guarantee schemes.
- (d) Facilitate knowledge sharing on low-cost building technologies, land tenure regularization, informal settlements upgrading and innovative delivery models for scaling housing.
- (e) Link financial assistance with progress in reducing regulatory and tax burdens on affordable housing such as Tanzania's push for Value Added Tax (VAT) and Capital Gain Tax reform in housing development.
