

Albert Nyiti and Emmanuel Njavike

Building Tanzania's Urban Future

The Need for a National Housing Policy

Executive Summary

Tanzania faces an annual housing shortfall of about 200,000 units, a predicament exacerbated by swift urbanization, informality, and escalating living expenses. Present housing interventions are disjointed among ministries, agencies, and financial institutions, characterized by overlapping tasks and a lack of cohesive policy direction. Both DIRA 2050 and the CCM Manifesto 2025–2030 unequivocally assert that access to adequate and affordable housing constitutes a fundamental human right, essential for enhancing individual well-being, maintaining societal stability, and transforming the economy. This policy brief asserts that Tanzania urgently needs a stand-alone National Housing Policy to transform these pledges into a unified and implementable national framework. A stand-alone housing policy will elucidate institutional responsibilities, enhance governance and accountability, facilitate inclusive housing finance, formalize and support large-scale self-built housing, stimulate job creation and local economic development, and synchronize national initiatives with global commitments. A housing policy is not only vital for ensuring dignity but also for fostering development and promoting national prosperity.

1. The Problem: A Systemic Housing Crisis Without a Coordinating Policy

1.1 Fragmented Institutional Landscape

Currently, the following institutions share responsibility for housing at different levels:

- Ministry of Lands Housing and Human Settlements Development (MLHHSD): policy, planning, land allocation),
- National Housing Corporation (NHC): commercial housing development
- Tanzania Building Agency (TBA) and Watumishi Housing Corporation (WHC): public servant housing
- Prime Minister's Office Regional Administration and Local Government (PMO–RALG): local planning authority and development control for housing development
- Tanzania Mortgage Refinance Company (TMRC) & Ministry of Finance (MoF): housing finance

→ Pension funds and private developers: commercial housing development

In the absence of a central housing policy, mandates overlap, responsibilities conflict, resources are misaligned, and informality becomes the default mode of housing delivery.

1.2 Misalignment Between Housing and Human Settlements

The ongoing confusion between housing (“nyumba”) and human settlements (“makazi”) has caused conceptual ambiguity, as evidenced by the 2022 National Housing and Population Census and DIRA 2050 translations. Housing constitutes a distinct subsystem necessitating its instruments. Similar to water, energy, health, and education, housing necessitates distinct policies. A housing policy can define these two technical terms in Kiswahili and English to remove this ambiguity in policy and other government-related documents.

1.3 The Limits of Existing Laws and Policies

The National Constitution falls short of recognizing housing as a right to all Tanzanians. Article 24(1 and 2) of the Constitution (amended 1977) should include the word “housing” and not just mention property. Moreover, the National Human Settlement Development Policy (NHSDP) (2000) does not sufficiently address housing finance, rental regulation, social housing, public-private partnerships for affordability, guidelines for incremental housing, informal settlements at scale, and digital-era rental dynamics, such as short-term rentals, which necessitate specific policies. A policy designed for the year 2000 cannot adequately respond to Tanzania’s 2025 realities, and neither can its reviewed policy. To address the aforementioned issues, the brief calls for the review of the 2018 Draft National Housing Policy, followed by its endorsement and the passing of a subsequent act.

2. Why Tanzania Needs a Standalone Housing Policy Now

2.1 Alignment with DIRA 2050 and CCM Manifesto 2025–2030

Both frameworks commit to adequate, safe, and affordable housing; dignity for low- and middle-income households; upgraded informal settlements; and inclusive human settlement development. A standalone policy provides the mechanism to translate these into concrete action.

2.2 Supporting Self-Built Housing (Over 90% of National Stock)

People in Tanzania incrementally have built nearly all the housing stock. A housing policy can:

→ Formalize and strengthening adequate and affordable

self-building practices

→ Provide affordable serviced plots

→ Support housing microfinance

→ Integrate local building materials and offer tax relief to builders

→ Promote incremental core housing units

→ Improve construction quality and safety standards

Housing is one of the most powerful economic levers that Tanzania has yet to realize. Tanzania requires a context-specific housing policy, one that acknowledges the government’s limited capacity to provide housing to the people. The policy should establish a legal framework that allows individuals to continue providing housing, with clear laws and regulations.

2.3 Strengthening Housing Governance and Reducing Illicit Financial Risk

Real estate is a high-risk sector for money laundering, tax evasion, and terrorist financing (FATF, 2025). A housing policy would set clear rules for buying and selling property, holding developers accountable, and setting quotas for affordable housing (including social housing) in major projects. For instance, all major NHC, TBA, WHC, and private developers’ housing projects could dedicate up to 30% of their housing to social housing. This would allow low- and middle-income earners, the youth, the elderly, and other special groups to live in the most prime locations of Tanzania’s urban areas.

2.4 Managing Digital Disruption in Rental Markets

Short-term rental platforms (e.g., Airbnb) are absorbing long-term rental supply in cities.

A housing policy could:

→ Regulate zoning and licensing,

→ Introduce Short-Term Rental (STR) taxation,

→ Protect long-term rental affordability.

→ Balance tourism growth with Tanzanians’ housing rights.

2.5 Delivering on International Commitments

A dedicated housing policy is essential for achieving SDG 11 (Sustainable Cities and Communities), the New Urban Agenda 2016, and Agenda 2063 (A Well-Housed Africa). It will greatly strengthen the national reporting and compliance framework.

3. What a Standalone Housing Policy Would Achieve

3.1 Institutional Realignment

- Clear national housing governance structure
- Mandate clarity between MLHSD, NHC, TBA, WHC, PMO–RALG
- Coordinated national-local action
- Eased bureaucratic conflict and duplication

3.2 Legislative and Regulatory Reform

The policy would pave the way for a Housing Act, covering:

- Rental regulation and tenant-landlord protection
- Housing finance rules
- Affordable housing incentives
- Standards for building, safety, and incremental housing
- Cooperative, rental and social housing frameworks

3.3 Equitable Housing Finance

A diversified housing finance ecosystem would include:

- Housing microfinance
- Rent-to-own schemes
- Subsidized interest rates
- PPPs or Joint Ventures with mandatory affordability quotas, e.g., social housing for the youth
- Incentives for domestic production of building materials

3.4 Housing as a Driver of Local Economic Growth

The construction of one housing unit creates 3–5 direct jobs (ILO 2021). A housing policy would stimulate local manufacturing of building materials, youth employment in construction trades, growth of SMEs and informal contractors, local financial markets, and skills development and certification systems.

3.5 Enhanced Social Equity

The policy would guarantee inclusion of low-income households, youth and new graduates, women-headed households, individuals with disabilities, and rural-to-urban migrants. Housing becomes a transformative tool for social

justice.

4. Policy Recommendations

i. Immediate Actions for MLHSD

- Reinstate the standalone housing policy process suspended after the 2018 draft.
- Establish a National Housing Steering Committee involving NHC, PMO–RALG, MoF, TBA, WHC, private/CSO actors, and members of academia.
- Create a National Housing Observatory for data, evidence, and monitoring.

Introduce a national inventory of housing stock, informal settlements, and rental markets.

ii. Priority Actions for Parliament

- Enact a National Housing Act to operationalize the policy.
- Allocate dedicated annual housing financing through the national budget.
- Approve a regulatory framework for:
 - » Short-term rentals,
 - » Incremental housing standards,
 - » Affordable housing quotas in PPPs.
- Strengthen oversight for real estate transparency and anti-money laundering (AML) compliance.

iii. Medium-Term Actions

- Establish Affordable Housing Funds and Housing Microfinance Schemes.
- Create national guidelines for incremental self-built housing units.
- Introduce incentives for local production of building materials.
- Mandate NHC, WHC, TBA, and private/CSO actors to allocate and/or build units for affordable and social housing.
- Establish an Affordable Housing Corporation

Conclusion

Tanzania finds itself at a pivotal juncture. The vision is

clear: DIRA 2050 and the CCM Manifesto commit the nation to adequate, safe, and affordable housing as a human right. However, without a standalone national housing policy, Tanzania lacks the strategic machinery to deliver this promise.

A dedicated policy would:

- Anchor housing within national development,
- Unlock economic and social benefits,
- Strengthen governance and accountability,
- Support self-built housing,
- Regulate rapid changes in the rental market, and
- Position Tanzania as a regional leader in inclusive urban development.

Housing is not merely shelter; it is the foundation of human dignity, national stability, and economic transformation. A standalone National Housing Policy is no longer simply recommended; it is urgently required.

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P.O Box 4472
6 Mwai Kibaki Road
Dar es Salaam, Tanzania.
+255 22 266 8575
info.tanzania@fes.de

Responsibility for content and editing

Amon Petro

Contact

Amon Petro
amon.petro@fes.de

Design/Layout

Samwel Gidori

Photo credits

Page 1 top: Samwel Gidori

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