Terwilliger Center for
Innovation in Shelter

# Study to Identify Needs and Barriers of Women and Youth towards Access and Usage of Housing Finance in Tanzania

## Market Insight Report

JUNE, 2023

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## I. Executive summary

The research study was conducted to examine the needs and barriers preventing women and youth from accessing and using housing finance in Tanzania. The objective of the study was to understand the housing finance needs of women and youth, assess the demand for housing finance among this demographic, identify constraints impeding their access to finance, evaluate existing housing finance products, uncover challenges and opportunities in the housing finance sector, and provide recommendations for addressing the specific needs of women and youth.

The study utilized the **Making Markets Work for the Poor (M4P) framework**, which recognizes the intricate interplay between supply and demand in the housing sector, as well as the influence of regulations, information, infrastructure, skills, technology, and related services on the market.

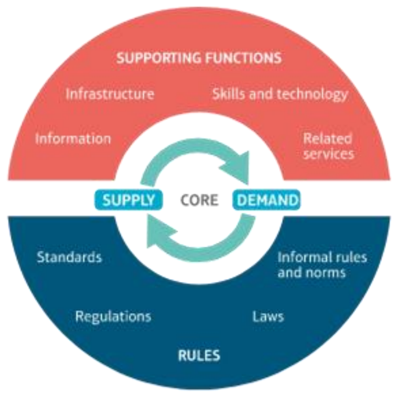



FIGURE 1 M4P OPERATIONAL GUIDE (2015)

## Methodology

As per the latest NBS report for **Migration and Urbanization in Tanzania**[1] the highest level of urbanization is experienced in Dar es Salaam which is largely a metropolitan (100%). This high level of urbanization is followed by Mjini Magharibi in Zanzibar (85%). Other regions with high levels of urbanization include Mwanza (33.2%), Arusha (33%), Pwani (33%), Mbeya (33%) and Morogoro (29%). Besides these regions there are other regions with urbanization level of above 20% which include Kilimanjaro, Mtwara, Ruvuma, Njombe and Kusini Pemba.

The survey targeted women and youth falling in the lower middle income (1,036 – 4,045 USD GNI per capita) and middle income (4,046 -12,535 USD GNI per capita) according to the World Bank definition. To acquire information, the study utilized the two primary data collection methodologies: quantitative and qualitative data collection).

For the quantitative data collection, Random Digit Dialing (RDD) was deployed to target women and youth in the lower middle-income and middle-income brackets, as defined by the World Bank. RDD involved randomly dialing phone numbers to reach potential respondents who owned cell phones. This method allowed for a wide coverage of the population, as anyone with a telephone line in Dar es Salaam, Arusha, Pwani, Mbeya, Mwanza, Morogoro, Kilimanjaro, Mtwara, Ruvuma, Njombe, Kusini Pemba and Mjini Magharibi had a chance of being included in the survey, regardless of their geographic location or demographic characteristics. RDD also helped achieve a representative sample of 1,282 to achieve a statistically acceptable level of confidence (95%) and confidence interval (5%) minimizing selection bias, ensuring that all individuals with phone lines had an equal chance of being included in the survey. Qualitative data was gathered through Focus Group Discussions and Key Informant Interviews.

[1] Read more about the Migration and Urbanization in Tanzania **here**

These methods provided a deeper understanding of the experiences, perspectives, and insights of the target population. There were six (6) FGDs that involved youth and women in Mwanza, Dar es Salaam and Zanzibar, while KIIs involved one-on-one interviews with fifteen (15) key informants from Banks, Mobile money operators, FinTech's, Housing developing institutions, Regulatory authorities and Civil society organizations (CSO) or Non-governmental organizations (NGO) who possess valuable knowledge and expertise in the subject matter. These qualitative methods complemented the quantitative data, allowing for a comprehensive analysis of the research objectives and providing rich insights into the study's focus.

## Key Study Findings

### Demand Side

- **Women and Youth have financial stress and burdens because of their low-income levels that result from informal employment and seasonal economic activities** – The survey results reveal that only 40% of the eligible market segment earns between 86 USD– 1,045 USD per month with most of them making a living from seasonal income and informal employment.

- **Low land/house and title deed ownership** – The survey findings show that only 438 out of 1232 respondents own land and of those that own land/house only 10% have a title deed for the land/house they own.

- **Financial Autonomy is low among women and youths** – the survey results show that around half of the eligible segments can do anything they want to do with their finances and women are less likely to be involved in financial decisions in their households.

- **Women and youth lack a credit history to examine their creditworthiness** – the survey revealed that women and youth are less likely to have borrowed from formal financial institutions in the past 12 months. In addition to that, the survey revealed that women and youth are more likely to be financially excluded.

- **Low financial and digital literacy** – the survey findings demonstrate that more than 90% of the market segments have not received training and capacity building on housing finance. Even among those who have received education and training, the practical utilization of knowledge is a point of concern. Only 43% of adult women and 57% of the youth have effectively utilized the information received to make informed decisions regarding housing finance options. However, the majority of young men (54%) and young women (60%) have not been able to apply their training in a practical manner.

- **Low levels of awareness of housing finance solutions in the market** – the results show that more than 8 out of 10 are not aware of available housing finance options in Tanzania. When asked about housing finance for women and youth only 15%% were aware of them.

### Supply Side

- **One financial service provider is developing housing finance options for specifically for women and youth-** Apart from Makazi Bora Finance Limited, the study hasn't found a dedicated player that is on the ground striving to meet the housing needs of women and youth in Tanzania.

- **Few affordable housing developers and models in Tanzania**- The study revealed that apart from Makazi Bora Finance Limited the Tanzanian financial sectors highlighted offer mortgage products to their customers and beyond, the banks provide various mortgage products with varying interest rates, repayment periods, and eligibility criteria with very high-interest rate of more than 15% whereby only salaried community and the high-performing business community can acquire the mortgage products offered in the market.

- **Lack of collateral among women and youth**- The finding reveals that out of the entire survey population of 1282 only 3.1% of the respondent's own land or a house for which they possess a title deed, and 65.5% do not own a house and land they live in which indicates that most women and youth lack collaterals during accessing the housing finance products.

### Rules and Regulations Side

- **Lack of rules and regulations that require financial service providers to allocate credit to housing finance-** The study revealed that there is lack of an enabling housing finance policy. Though Tanzania has an existing Human Settlement Policy (2000) and a Land (Mortgage Financing) Regulation (2009), they both fail to provide a suitable regulatory environment for low-income youth and women in accessing mortgage products in the Tanzanian market.

- **Cumbersome land administration hinders women from land ownership**- The study revealed that the complex and cumbersome land administration processes create major delays in the issuance of title deeds that the process of acquiring a title deed in Tanzania takes up to 2 years or more.

- **Inadequate policy-driven programs that specifically target and support women and youth in accessing land and house ownership-** The study revealed that there are inadequate actions towards the curation specifically target and support women and youth in accessing land and house ownership.

### Supporting Functions Side

- **Absence of programs to support the capacitation of FSPs and Regulators in the development of responsive Housing Finance Solutions** – Policies and Products- Rather than the availability of the programs and capacitation of financial service providers and regulators offered by Tanzania Mortgage Refinance Company, the study has not found any programs currently operating in the financial market that fosters the understanding of the skills capacity of the FSPs and Regulators.

- **Lack of consolidated, organized and analyzable data/information on the housing market, housing finance market as well as target market segments (women and youth)-**The study has revealed the presence of very minimal data/information regarding the demand and supply of the housing market and the entire housing market system in general due to minimal research, un-documentation and unregistered information.

- **Low levels of coordination among housing finance stakeholders (including government agencies, financial institutions, developers, and housing regulators) to serve women and youth-** The study has noticed and recognizes the presence of less coordinated events and actions amongst the housing players in Tanzania both financial actors and other actors like government agencies, technology experts, design thinkers, product builders, community development experts , and housing regulators in general which centers a challenge of create solutions and products that will be feasible for low income women and youth in Tanzania..

### The proposed Key Interventions

- **Support market players in the designing appropriate housing finance solutions-** **REDEFINE** suggests **Habitat for Humanity International** to support and facilitate the design of appropriate housing finance solutions for women and youth. This is a vital step towards achieving inclusive and sustainable housing finance by engaging with these target groups, piloting innovative models, and capacitating FSPs and regulators, it is possible to overcome barriers and ensure equitable access to housing finance for all. Ultimately, these interventions contribute to the broader goal of empowering women and youth, fostering economic growth, and enhancing social welfare.

- **Support Research and Development programs that seek to unlock housing finance solutions aimed at women and youth-** **REDEFINE** suggests **Habitat for Humanity International** to support the R&D programs and action-oriented research initiatives aimed at unlocking housing finance solutions for women and youth. This is essential for achieving inclusive and effective financial systems. Further Habitat for Humanity International can incorporate the existing disruptive innovative labs like **FinSights Lab**[2]. By investing in innovative research, understanding the needs and challenges faced by these target groups, and identifying models that enhance accessibility and uptake of housing finance, we can promote economic empowerment, financial inclusion, and agency among women and youth. These interventions contribute to a more equitable and sustainable society, where housing finance becomes a catalyst for social and economic development for all.

- **Support of the development of housing finance legal and regulatory frameworks-** **REDEFINE** suggests **Habitat for Humanity International** to support of the development of housing finance legal and regulatory frameworks. This is crucial for creating an enabling environment that promotes inclusive and accessible housing finance by implementing interventions such as credit allocation quotas, and housing finance frameworks, and elevating the importance of housing finance for women through the Women Affairs Committee, policymakers can foster an environment that addresses the specific needs and challenges faced by women and youth in accessing affordable housing finance. These interventions contribute to socioeconomic development, financial inclusion, and empowerment of women and youth, ultimately leading to more equitable and sustainable communities.

- **Support in the review and revamp of policies that affect land ownership and human settlement-** **REDEFINE** suggests **Habitat for Humanity International** to support the review, revamp, and development of policies and programs related to land ownership, human settlement, and gender equality. This is crucial for unlocking access to housing finance for women and youth by addressing barriers, streamlining processes, and promoting gender-responsive approaches, we can create an enabling environment where women and youth can access affordable housing finance and secure their housing needs. These interventions contribute to equitable socio-economic development, empower women and youth, and foster inclusive and sustainable communities.

[2] Read more about FinSights Lab here

- **Support in the development of financial literacy and behavior change campaigns-REDEFINE** suggests **Habitat for Humanity International** to support the development of financial literacy and behavior change campaigns, as well as delivering financial literacy and education programs targeting women and youth, this is crucial for enhancing access to housing finance. By equipping these target groups with the necessary knowledge, skills, and behaviors, we can empower them to overcome barriers, make informed decisions, and effectively utilize housing finance options. These interventions contribute to increasing financial inclusion, promoting responsible financial behavior, and fostering sustainable homeownership among women and youth.

- **Support initiatives that complement credit profiling of women and youth- REDEFINE** suggests **Habitat for Humanity International** to support initiatives that complement credit profiling, develop alternative credit assessment approaches, and promote open data sharing. This is crucial for enhancing access to credit for women and youth by leveraging alternative data sources, developing innovative credit assessment models, and fostering transparency and collaboration through open data sharing, we can address the challenges faced by these underserved segments and promote financial inclusion. These interventions contribute to unlocking credit opportunities, stimulating economic growth, and empowering women and youth to achieve their financial goals.

## 1.0 Study Background and Context

The working definition of financial inclusion for Tanzania entails the "regular use of financial services, through payment infrastructures to manage cash flows and mitigate shocks, which are delivered by formal providers through a range of appropriate services with dignity and fairness" (National Financial Inclusion Framework 2014-2016).

The Bank of Tanzania plays a crucial role in fostering the development of financial markets in Tanzania by providing an enabling environment. Specifically, the Bank provides financial market infrastructure, putting in place appropriate legislation and overseeing and designing market instruments. The financial markets comprise money and capital market instruments, traded in primary and secondary markets.

Tanzania's financial sector is largely dominated by the formal financial institutions and within the formal financial institution the large stake taken by the banking sector and mobile money. According to FinScope Tanzania 2017, 16.7% of adult Tanzanians have or have used a bank, indicating only a portion of individuals engaging with formal banking services. Furthermore, 48.6% do not have or have used a bank but have utilized other formal financial services, demonstrating the availability and utilization of alternative options. Additionally, 6.7% of the population does not have or use formal financial services, relying on informal channels for their financial needs. Finally, 28.0% of individuals are considered financially excluded, highlighting the need for targeted efforts to improve financial inclusion and access to formal financial services. On the other hand, the GSMA report of 2022[3] that analyzes Tanzania's digitalization journey, indicates that the increase in mobile transactions has been contributed by local enterprises embracing mobile digital payments as part of their business which led to the increase in the number of mobile money transactions from 3.02 billion in 2019 to 3.75 billion as of 2022.

Tanzania's financial infrastructure comprises of formal and informal financial systems. The formal financial system includes commercial banks, microfinance institutions, community banks, and insurance companies, while the informal financial system includes savings and credit cooperatives, informal savings groups, and mobile money operators. Center for Affordable Housing Finance in Africa (CAHF) report[4] explains that in support of the national agenda to increase access to finance for women, Tanzania Commercial Bank (TCB) has developed specialized products. TCB's group savings in 2020 were valued at approximately TSh15 billion (US$6.433 million), with about 90% coming from women

Looking at the census report[5], that reveals that females account for 51% and males account for 49% of Tanzania's population, while more than half of Tanzania's population which accounts for 77% is under the age of 35. Despite this ongoing progress in Tanzania's financial sector and the widening of the women and youth population, only 60% of Tanzanian women have access to financial services, 9% have access to informal financial services, and 30% remain without any access to financial services. Despite all efforts and initiatives to advance financial Inclusion in the country, women are still lagging behind compared to men. According to FinScope Tanzania 2017[6], it highlights that 30% of women are still excluded against 26% of men. On the other hand, 70% of men have access to formal financial services, thus leaving a gender gap of 10 percentage points in accessing and using formal financial services.

In addition, the FDST focus note of 2021[7] on unlocking mechanisms for greater youth financial inclusion defines that over 6 million young people are financially excluded in Tanzania, whereby three (3) in 10 unbanked are aged between 15 and 24, with an urban-rural gap of nearly 30% in formal financial services. Furthermore, over half of Tanzania's urban population lives in unplanned and informal settlements. This is highest in Dar es Salaam where 70% of residents live in informal dwellings (Tatu M.L and Neema Ngware, 2016). Urban masterplans aimed at developing more sustainable cities have largely not been effectively implemented.

[3] Read a full report GSMA **here**
[4] Read a full CAHF report **here**
[5] Read a full Tanzania's age distribution **here**
[6] Read a full FinScope 2017 report **here**
[7] Read a full FSDT Focus Note **here**

The state of housing in Tanzania is characterized by a shortage of affordable and adequate housing (Eng. Kwanama Elias M , 2015). Most of the population in Tanzania lives in rural areas and lacks access to modern housing. In urban areas, housing is also in short supply and is often overcrowded and in poor condition. Additionally, many people in Tanzania live in informal settlements or slums, which lack basic services and infrastructure. The government of Tanzania has made efforts to address the housing shortage, including implementing policies and programs to increase access to housing and improve living conditions, but the challenges remain significant. The NHC estimates Tanzania's demand of 200,000 houses annually and a total housing shortage of 3 million houses (NHC, 2016). Despite the demand, access to mortgages has been one of the burning issues in the housing sector. With more than 70% of the urban housing developed in informal settlements, many urban residents do not possess certificates of right of occupancy (CRO). CROs act as collateral for accessing mortgages, which implies that, without it, borrowing is not an option. Since Tanzania has no social housing program in place, this leaves the fate of affordable housing in the hands of market forces. The market has, over the years, denied low-income groups the right to live.

The CAHF 2022 report highlights that, in recent years, a sevenfold expansion of the housing finance market was achieved in Tanzania due to International Development Association (IDA) funding and an innovative approach to housing finance. The $100 million IDA credit to the government of Tanzania was implemented by the Bank of Tanzania (BoT: Central Bank of Tanzania) in strong partnerships with the Ministry of Finance and Planning, and the Ministry of Lands, Housing, and Human Settlements Development. This is one of the disruptive World Bank's innovations and risk-taking during project design and implementation, reflecting principles of maximizing Finance for Development.

To expand the housing finance market, the Tanzania Mortgage Refinance Company (TMRC) was created to provide medium-and-long-term liquidity to mortgage lenders. A Housing Microfinance Fund was also created to provide medium-term liquidity to microfinance institutions, offering housing microfinance loans to the low-income population. To ensure the financial viability and sustainability of the TMRC beyond the project period, the World Bank helped design its access to capital markets through bond issuances. Through these initiatives, a total of 5,000 mortgages and 2,000 loans for housing microfinance were provided, with women accounting for nearly 34% of the beneficiaries. At the time of the closing of the project in 2019, 33 financial institutions were providing mortgages to consumers, as compared to four in 2010. This led to expanding the market (along with favorable macroeconomic developments) and has brought down interest rates from above 21 percent to 15 percent per year.

In conclusion, despite the growth of the housing finance industry and the various initiatives aimed at increasing access to finance for low-income youth and women in Tanzania, access to housing finance products remains a challenge. The limited impact of specialized products for women and youth and the limited accessibility of credit services are some of the factors contributing to this challenge. Therefore, there is a need for more efforts to increase access to finance for low-income individuals, especially women, and youth, to address the housing finance gap in Tanzania.

## 2.0 Study Objectives and Purpose

### 2.1 The Objective of the Assignment

The main objective of this research was to identify needs and barriers preventing women and youth from accessing and using housing finance in Tanzania.

### 2.2 Specific objectives

- To understand the housing finance needs (both current and future) of women and youth in Tanzania.
- To assess the current level and future trajectory of demand for housing finance for women and youth by establishing a baseline and mechanisms to meet the demand.
- To identify constraints impeding the access and usage of housing finance by women and youth.
- To assess the housing finance product(s) in the market.
- Unpack the housing finance challenges, and opportunities available to promote affordable housing finance for women and youth in Tanzania.
- Give recommendations on opportunities to address the housing finance needs for women and youth.
- Develop a roadmap of interventions that can be adopted by Habitat for Humanity International or other financial institutions to create an enabling environment for improving access to housing finance in Tanzania.

Results from this study will help the HFHT and its partners to develop their **short, medium- and long-term strategic plans** to address issues related to access and usage of housing finance specifically for the women and youth involved in group structures. The study provides important insights regarding the **needs and barriers** that hinder the development and growth of housing finance solutions for women and youth, and opportunities to address those challenges, enabling the partners to collaborate in addressing those challenges to **bring maximum impact in the Tanzanian market**.

### 2.3 Purpose of the study

The purpose of the study was to gain a comprehensive understanding of the housing finance needs and challenges faced by women and youth in Tanzania. The study also aims to assess the current and future demand for housing finance by women and youth and evaluate the effectiveness of existing housing finance products deployed in the market. Furthermore, the study seeks to develop a roadmap of interventions that can be adopted by HFH or other financial institutions to create an enabling environment for improving access to housing finance in Tanzania.

## 3.0 Approach and Methodology

### 3.1 Conceptual Framework

The study used the Making Markets Work for the Poor (M4P)[8] framework that guided the data collection and the analysis of this study's results. This research M4P clearly describes how women and youth are centered in the nexus between supply and demand of the housing sector with governing layers of rules and regulations that can be formal and informal affects their interaction in the market; and supporting factors like information, infrastructure, skills and technology, and related services acts as the drivers steering the market.

[8] Read more about M4P approach **here**

The M4P mapping exercise is used to identify pathways to low-income youth and women within the housing market in Tanzania further to make the connection between what livelihoods youth and women have now or might have in future and the kind of housing finance services they need. The purpose of the framework is to provide a structured and consistent approach to gather, analyze data / information by breaking it down into manageable parts. This makes it easier to identify key factors and actors, understand their relationships, and make informed recommendations based on the findings.

## 3.3 Study Approach and Methodology

The survey targeted women and youth falling in the lower middle-income (1,036 – 4,045 USD GNI per capita) and middle-income bracket (4,046 -12,535 USD GNI per capita) according to the World Bank definition[9]. To acquire information, the study utilized the two primary data collection methodologies: quantitative and qualitative data collection). For the quantitative data collection, the survey was executed through Quantitative Computer Aided Telephonic Interviews (CATI) approach. The CATI approach allows for standardized data collection and the ability to store and manage large amounts of data. In the CATI data collection approach, the interviewer reads a script to the respondent and enters the responses directly into the computer program. The program can include built-in skips, branching, and other logic to ensure that respondents are only asked relevant questions.

The questionnaire was developed in English following the key study objectives to be answered. The questionnaire was then translated and scripted in Swahili through REDEFINEs questionnaire filling system named "Kobo" where the call center team could access the questionnaire. The call center team collected data directly from the database that was uploaded into the system by the Data Manager. The average interview length was a maximum of 25 minutes.

Further, the survey focused on people who own cell phones, therefore the survey results presented in this report do not include women or youth who do not own cell phones. The sampling method used was Random Digit Dialing and income screener, whereby the eligible respondents to go through the survey were identified through use of Random Digit Dialing or "RDD" as per income segment set in the income screener.

### The following are reasons why RDD was used in this study:

- **For Wider Coverage-** RDD allows for a relatively wide coverage of the population because it involves randomly dialing phone numbers. This means that anyone with a telephone line has a chance of being included in the survey, regardless of their geographic location or demographic characteristics.
- **Allow the easy achievement of the representative Sample-** RDD helps to achieve a representative sample of the population. By randomly dialing phone numbers, RDD helps to minimize selection bias and ensures that all individuals with phone lines have an equal chance of being included in the survey. This random selection helps to provide a more accurate reflection of the overall population.
- **It fosters a quick response-** RDD allows for a relatively quick response from potential respondents. By using telephone interviews, the survey team can reach respondents directly and conduct the survey in real-time. This can lead to faster data collection and analysis compared to other methods that require scheduling appointments or waiting for mailed surveys to be returned.
- **Cost Efficiency-** RDD surveys are often more cost-effective compared to other sampling methods, such as door-to-door surveys or mailing questionnaires. The use of automated dialing systems and computer-assisted telephone interviews (CATI) reduces the need for extensive fieldwork and manual data entry. This automated process saves time, labor, and overall survey costs.

[9] Read more New World Bank country classifications by income level: 2021-2022 **here**

Qualitative data was gathered through Focus Group Discussions and Key Informant Interviews. The samples were independent to from those used in the quantitative survey to bring out data diversity and to compliment the findings.

## 3.6 Market Sizing

As per the latest NBS report for Migration and Urbanization in Tanzania[10], the highest level of urbanization is experienced in Dar es Salaam which is largely a metropolitan (100 percent). This high level of urbanization is followed by Mjini Magharibi in Zanzibar (85 percent). Other regions with high levels of urbanization include Mwanza (33.2 percent), Arusha (33 percent), Pwani (33 percent), Mbeya (33 percent), and Morogoro (29 percent). Besides these regions, there are other regions with an urbanization level of above 20 percent which include Kilimanjaro, Mtwara, Ruvuma, Njombe, and Kusini Pemba.

### The sample was achieved through the following muti-stage approach:

- **1st Stage** – Redefine holds a database of cell phone numbers generated using operator prefixes (6,184 Adult Tanzanians – Male and Female) in the 12 fast-urbanizing regions in Tanzania.
- **2nd Stage**- Our data team extracted a database of our target respondents (women and youth). A database of 4,864 respondents were eligible for the first screening (women/youth) of the survey.
- **3rd Stage**- Phone surveys were undertaken among the target respondents for the survey. 3,151 out of 4,864 targets (65%) respondents responded to the survey.
- **4th Stage**- In line with the survey eligibility (between 86 USD and 1,045 USD per month), 1,282 out of the 3,151 target respondents (40.68%) qualified for the survey. The sample was stratified into set regional quotas. 9 respondents (0.23%) were not interested in house ownership. The amount set looked at the ability of an individual to take up and pay a housing finance loan based on their monthly income (these are lower middle-income and middle-income earners according to the World Bank Definition).

TABLE 1 SAMPLE DISTRIBUTION

| Region | Sample | Achieved |
|---|---|---|
| Dar es Salaam | 250 | 263 |
| Arusha | 100 | 100 |
| Pwani | 100 | 102 |
| Mbeya | 100 | 102 |
| Mwanza | 100 | 102 |
| Morogoro | 100 | 100 |
| Kilimanjaro | 100 | 100 |
| Mtwara | 100 | 100 |
| Ruvuma | 100 | 100 |
| Njombe | 100 | 100 |
| Kusini Pemba | 50 | 57 |
| Mjini Magharibi | 50 | 56 |
| **TOTAL** | **1,250** | **1,282** |

[10] Read about migration and urbanization in Tanzania **here**

## 3.4 Quality Control Measures

Redefine performed robust quality control measures to ensure that deliverables are carried out on time and are of the highest quality. The quality control measures put in place during survey implementation included; intensive review of questionnaires and script, intense training of the team on the survey objectives and tool as well as dummy interviews before the actual data collection.

During data collection, quality control management was done by the assistant project manager, call center manager, supervisor, and quality control executive to ensure the highest quality of data. The processes put in place included; Overall monitoring of the timely delivery of required reports and other outputs was ensured by the Project Manager, responsible for document control, ensuring that the integrity of the master versions of each document is preserved and maintained in a web-based reference library.

TABLE 2 QUALITY CONTROL IMPLEMENTATION

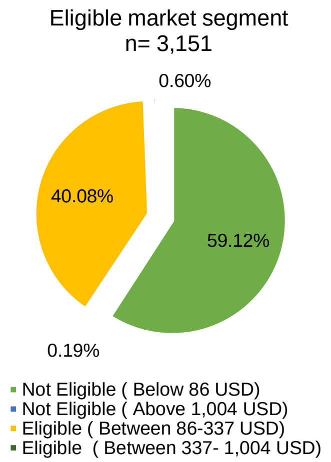
| | Project Manager | Assistant Project Manager | Data Manager | Supervisor | QC Executive |
|---|---|---|---|---|---|
| Daily debrief session with the team | | ✓ | | ✓ | ✓ |
| Daily monitoring of the quotas | ✓ | ✓ | ✓ | ✓ | |
| Daily review of the data | ✓ | ✓ | ✓ | | |
| Audio listening of interviews already conducted on a daily basis | | | | 25% | 25% |

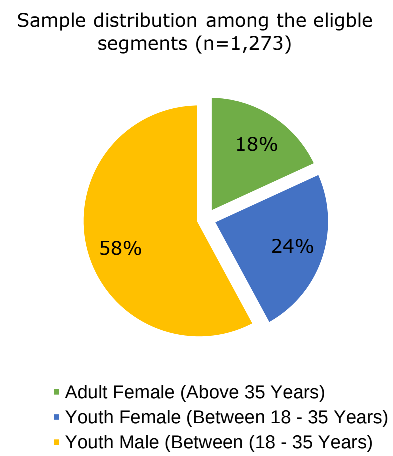
Overall monitoring of the timely delivery of required reports and other outputs was ensured by the Project Manager, responsible for document control, ensuring that the integrity of the master versions of each document is preserved and maintained in a web-based reference library.

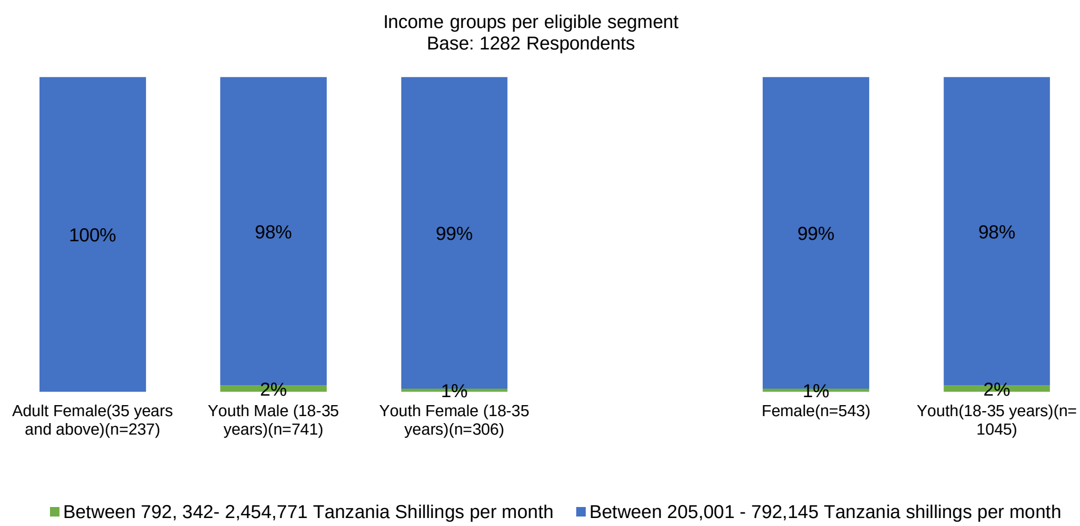
### 3.7 Demographics

The following demographic facts of the 1,282 individuals who fell into the lower-middle-income and middle-income categories, as defined by the World Bank:

### Finding 1: 40% of women and youth surveyed earn between 86 and 377 USD per Month



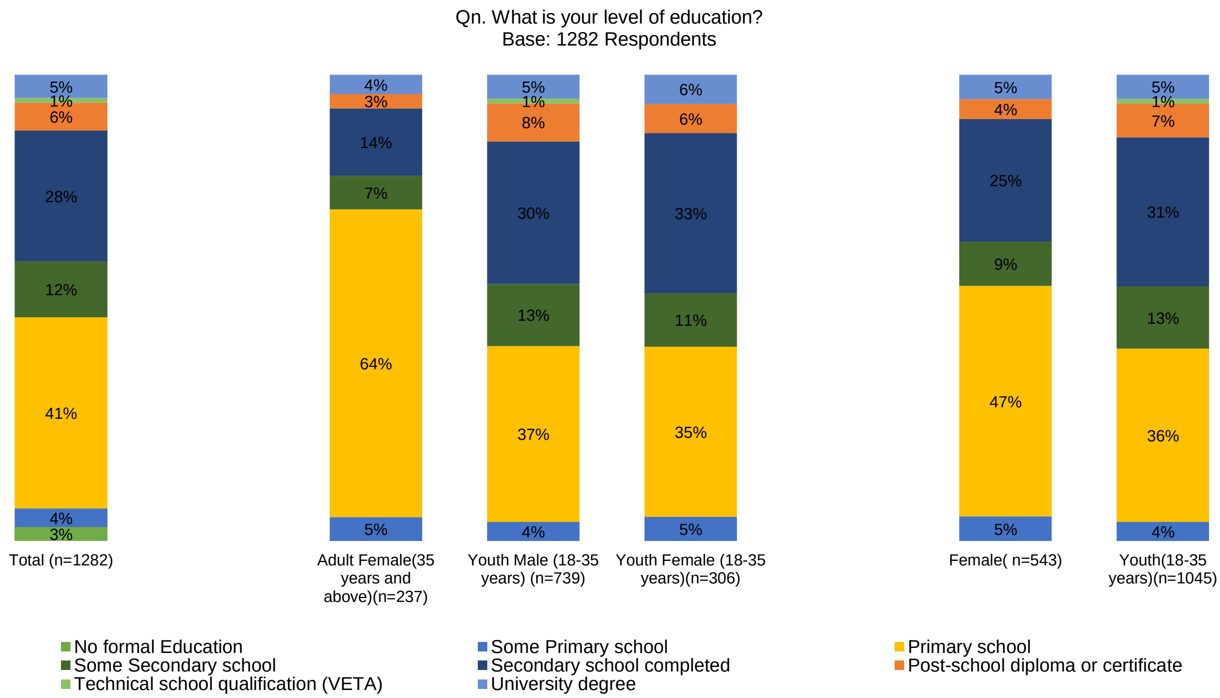




Based on the results of the Women and Youth Market Scoping Survey, the study aimed to identify women and youth as a potential market segment for housing finance solutions in Tanzania, the survey asked respondents about their monthly income, and the results showed that 59.12% of the respondents were not eligible to participate in the survey because their monthly income was less than86 USD. On the other hand, 40.08% of the respondents fell within the income range of 86 USD to 337 USD.

In terms of gender distribution among the eligible respondents (those meeting the income criteria), the survey found that 58% of qualifying respondents were male youth. This suggests that among those who met the income requirements, a higher proportion of male youth were represented in the survey. It's important to note that the survey results will be reported according to the different segments outlined. This segmentation will provide valuable insights into the specific needs and characteristics of different market segments within the women and youth population, helping to inform the development of appropriate housing finance solutions.

## Finding 2: Eligible female and male youth are more likely to have more than primary education

FIGURE 2 RESPONDENTS LEVEL OF EDUCATION

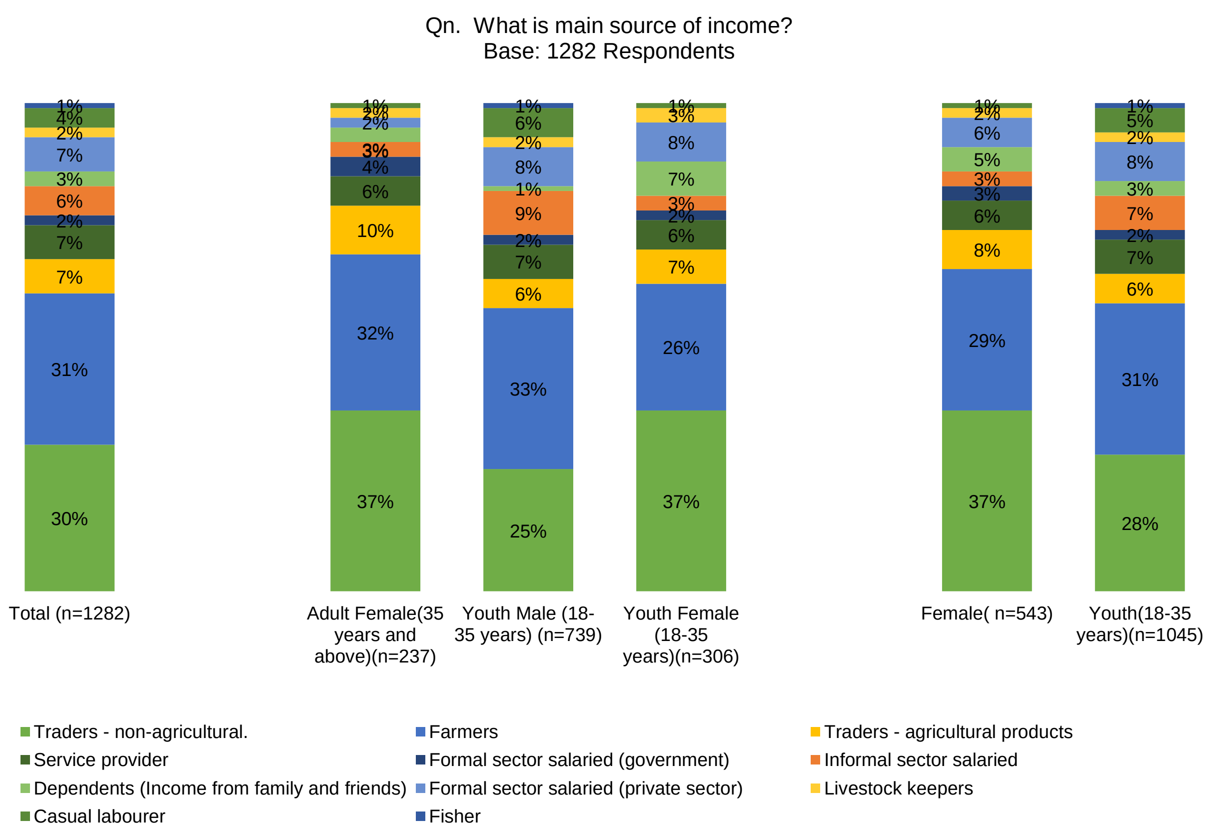



Education is of paramount importance for the uptake of housing finance solutions. It equips individuals with the necessary financial literacy to understand basics and gives room to break down complex concepts and make informed decisions about borrowing, homeownership and beyond. By promoting responsible financial management, education empowers individuals to budget effectively and meet housing finance obligations. Additionally, higher education levels enhance chances for formal employment opportunities and ability to handle informal business rationally, which may result to high- and stable-income potential, and long-term financial security, thereby it creates an avenue for financing and improving the ability to sustain housing payments. Ultimately, education plays a critical role in enabling individuals to navigate the housing finance landscape, access favorable loan terms, and achieve their homeownership goals.

The survey results reveal an interesting trend in educational qualifications among different population segments. Notably, the findings indicate that eligible female and male youth had a higher likelihood of attaining education beyond primary school, in contrast to adult women who were more likely to have completed primary school education. Specifically, 36% of the youth surveyed had completed primary school, while 47% of women fell into this category. Among young men, 37% had completed primary school. However, when considering secondary education, the results showed that only 33% of young women had achieved this level. These findings highlight the need to address the educational disparities and ensure equitable access to higher levels of education, as it has implications for housing finance uptake and the overall socio-economic development of the surveyed population.

## Finding 3: The eligible market predominately composes of traders of non-agricultural products, farmers, traders of agriculture products and farmers

FIGURE 3 RESPONDENTS SOURCE OF INCOME

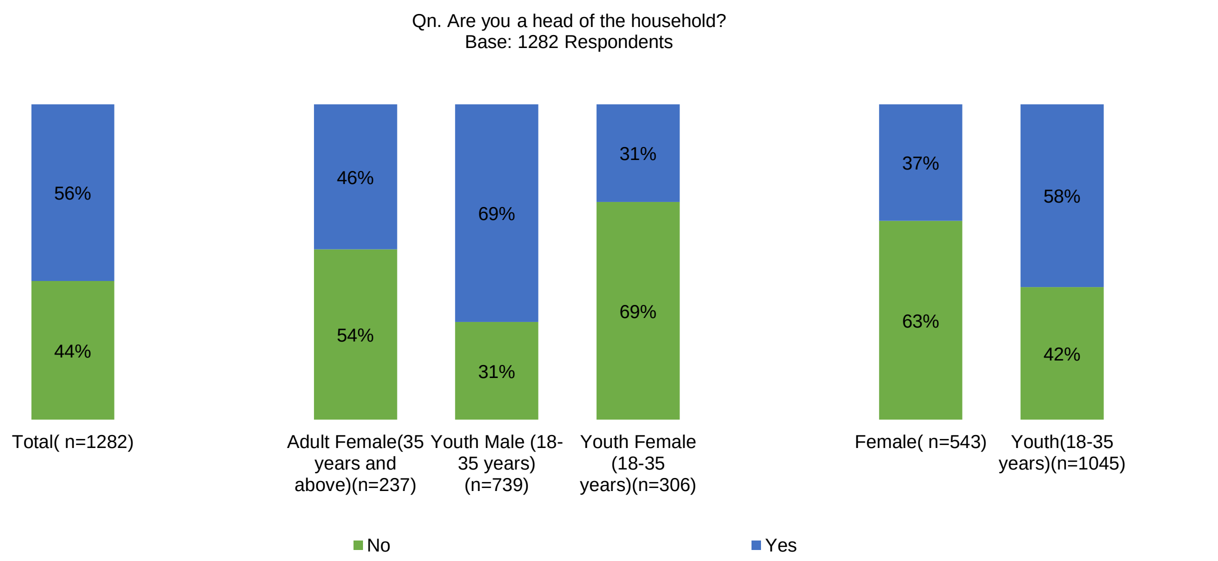



The survey results reveal that women and youth are engaged in Small and Medium sized enterprises as their main income-generating activities include farming, trading in non-agricultural products, farming, trading in agricultural products, and service provision. Specifically, 31% of the surveyed youth rely on farming as their primary source of income, highlighting their dependence on agriculture for their livelihoods. On the other hand, 37% of adult women engage in trading non-agricultural products, indicating their active involvement in commercial activities beyond agriculture. Similarly, 33% of young men earn their income through farming, while 37% of young women generate income by trading non-agricultural products.

These statistics demonstrate the diverse range of income-generating activities within the surveyed population. The significant presence of youth in farming highlights the importance of agriculture as a source of livelihood, while the substantial involvement of adult women and young women in non-agricultural trading showcases their entrepreneurial engagement. Farming and agro-trading are seasonal activities; hence their income cycles are not monthly which is key for product and solution design. Also, this creates a risk towards i.e., climate sensitivity. These findings provide valuable insights for designing appropriate housing finance solutions in designing housing finance products for such individuals.

## Finding 4: 69% of the youth male are heads of households

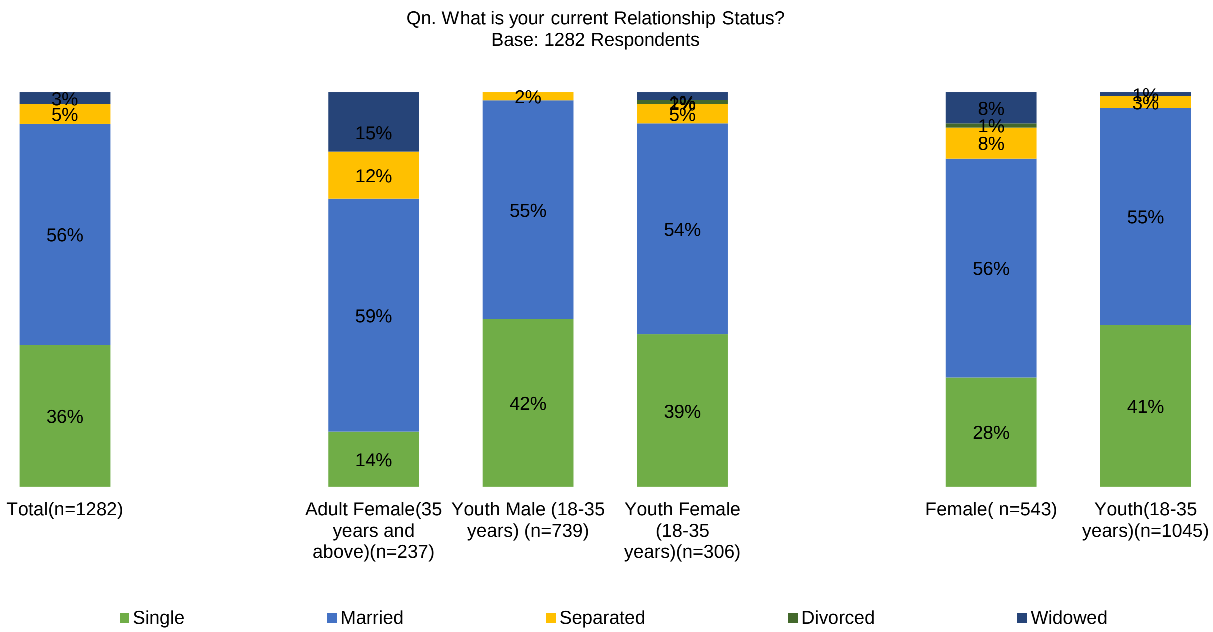
FIGURE 4 RESPONDENTS WHO ARE THE HEADS OF HOUSEHOLD




When asked whether they are head of households, 69% of the eligible youth men were more like to head of household. On the same note, 46% of the eligible adult women were also heads of household. The segment which was less likely to be head of household were female youths. The relationship between the head of household and housing finance decision-making can vary based on several factors, including cultural norms, household dynamics, and individual preferences. In many cases, the head of household plays a crucial role in making decisions related to the household, as they often have the primary responsibility for managing the family's finances and ensuring the overall well-being of the household.

## Finding 05: Adult women are less likely to be single compared to female and male youths

FIGURE 5 WOMEN AND YOUTH MARTIAL STATUS

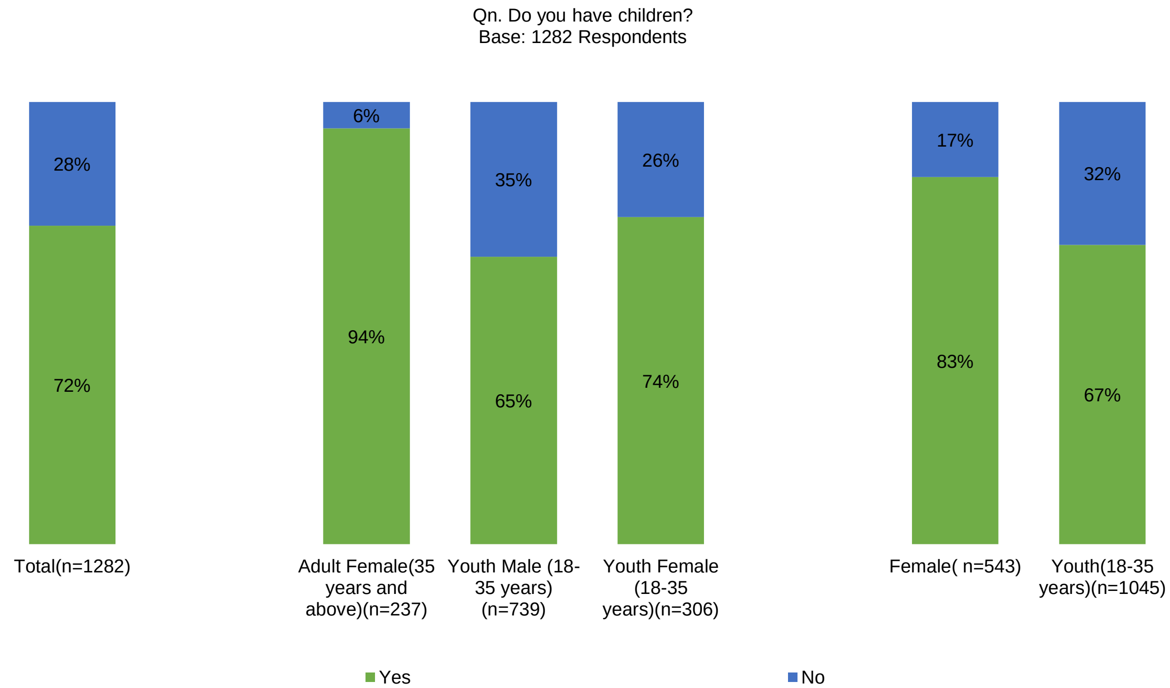



The survey results provide interesting insights into the marital status of different population segments. Among the surveyed youth, 55% reported being married. Similarly, 56% of the surveyed women were married, highlighting the prevalence of marriage within this segment. On the other hand, the results show that 42% of young men are single, suggesting a higher proportion of unmarried individuals in this group compared to the overall population. In contrast, 54% of young women reported being married.

The higher prevalence of marriage among women and youth indicates the potential influence of marital status on housing finance decisions. Married individuals may have different priorities and considerations when it comes to housing, such as the need for family-sized accommodation or stability for their household.

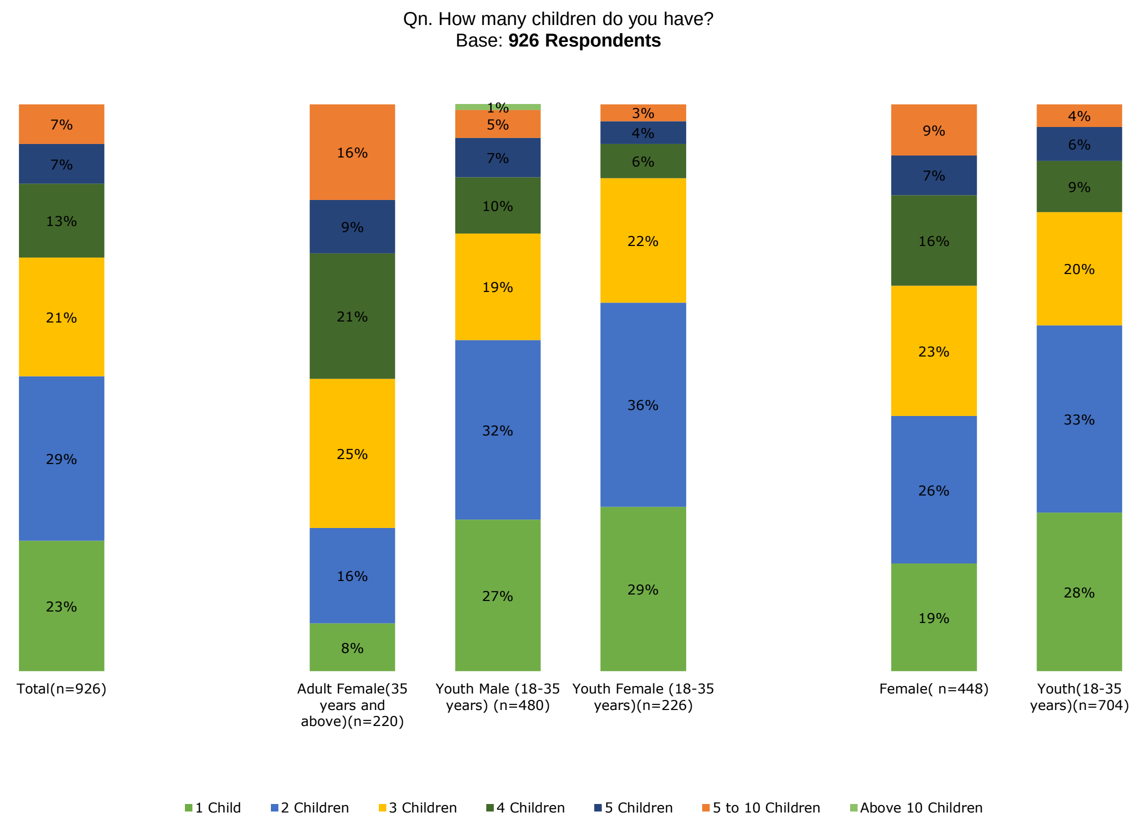
Understanding the marital status of the target population is essential for housing finance providers to tailor their products and services accordingly. Factors such as marital status can influence housing preferences, financial capabilities, and long-term housing needs. By considering the diverse marital dynamics, housing finance solutions can be better designed to address the unique requirements and aspirations of individuals within different marital statuses, ultimately promoting housing affordability and meeting the diverse needs of the surveyed population segments.

FIGURE 6 RESPONDENTS WITH CHILDREN




The survey results indicate significant differences in the likelihood of having children among the surveyed population segments. Among adult women, a high percentage of which accounts for 94% have children, highlighting the prevalence of motherhood within this group. In contrast, to male youth less of them have children, with only 65% reporting having a dependent. Furthermore, the survey explored the number of children the respondents are likely to bear that would inform the magnitude of the responsibilities they are carrying. With the data presented below average, each segment had an average of four dependents, indicating the presence of additional individuals relying on the surveyed population for support.

FIGURE 7 NUMBER OF CHILDREN THE RESPONDENTS HAVE




Having presented this information, the study reveals that adult women are likely to have high household responsibilities than the youth, therefore the housing finance products to be deployed in the market should consider this fact. However, these findings that underscore the importance of considering the responsibilities and financial obligations associated with dependents when examining housing finance decision-making and affordability. Having children and dependents can significantly impact household budgets and financial priorities. Housing finance solutions need to account for the needs of families and individuals with dependents, ensuring that they can adequately provide for their housing requirements while meeting other financial obligations. Understanding the demographics and family dynamics of the surveyed population segments provides valuable insights for housing finance providers and policymakers. By considering the impact of dependents and family responsibilities, tailored housing finance solutions can be developed to address the specific needs and challenges faced by households with children and dependents, ultimately promoting housing affordability and financial stability.

Further, the study has looked into the link between the readiness to the uptake of housing finance and number of children by analyzing the respondents who have shown the readiness with the number of children they have. The findings reveal that the respondents with more than 4 children are less likely to take the housing finance solutions unlike those bearing 1 to 3 number of children. This entails the capacity of the women and youth to in the uptake and usage of the housing finance products is dependent on the weight of the responsibilities they have.

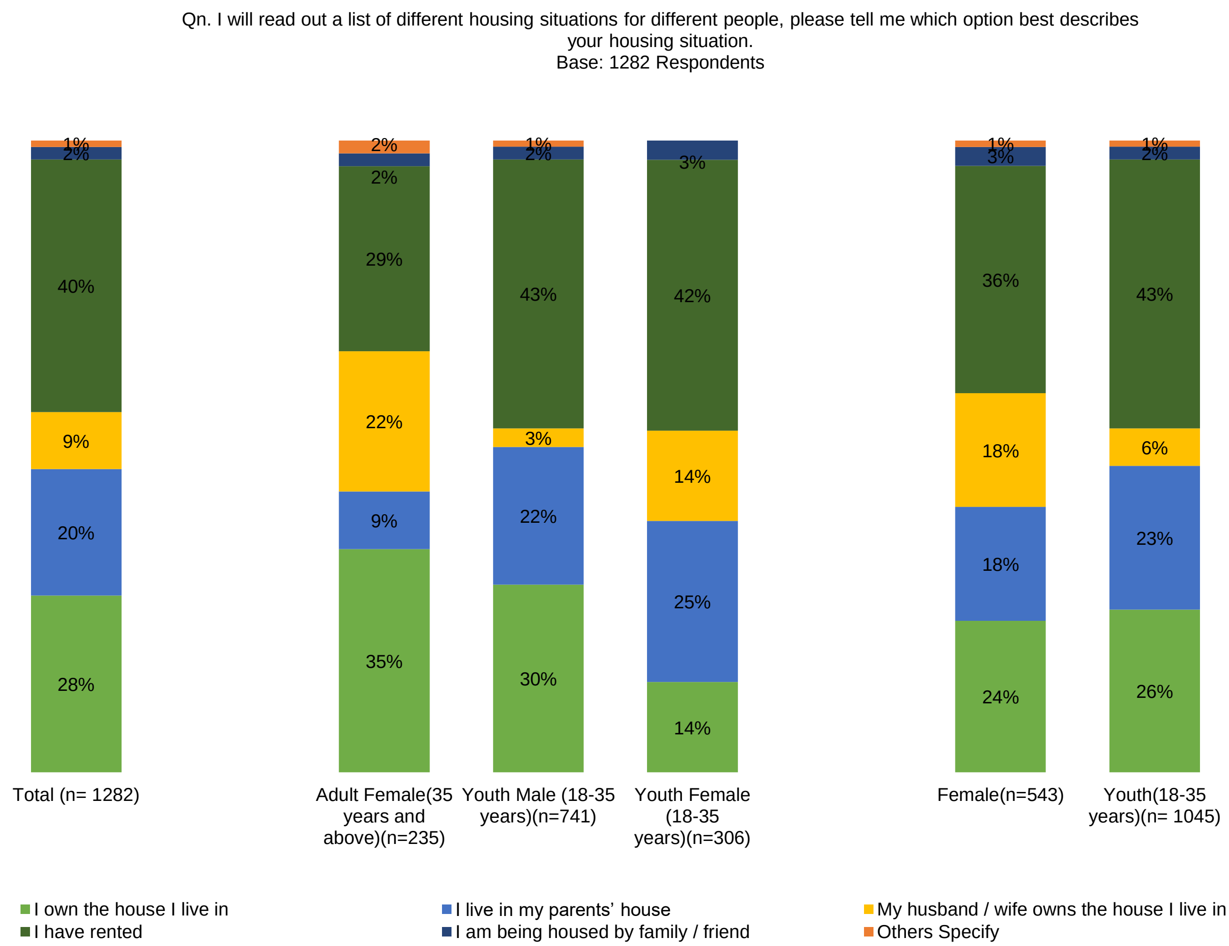
# 4.0 Research Findings

## 4.1 Demand for Housing finance among women and youth in Tanzania

### A. Housing Needs

### Finding 6: Most of the Youth and Women are renting, although adult women live in their own house or one that is owned by their spouse

FIGURE 8 HOUSING SITUATIONS AMONGST WOMEN AND YOUTH

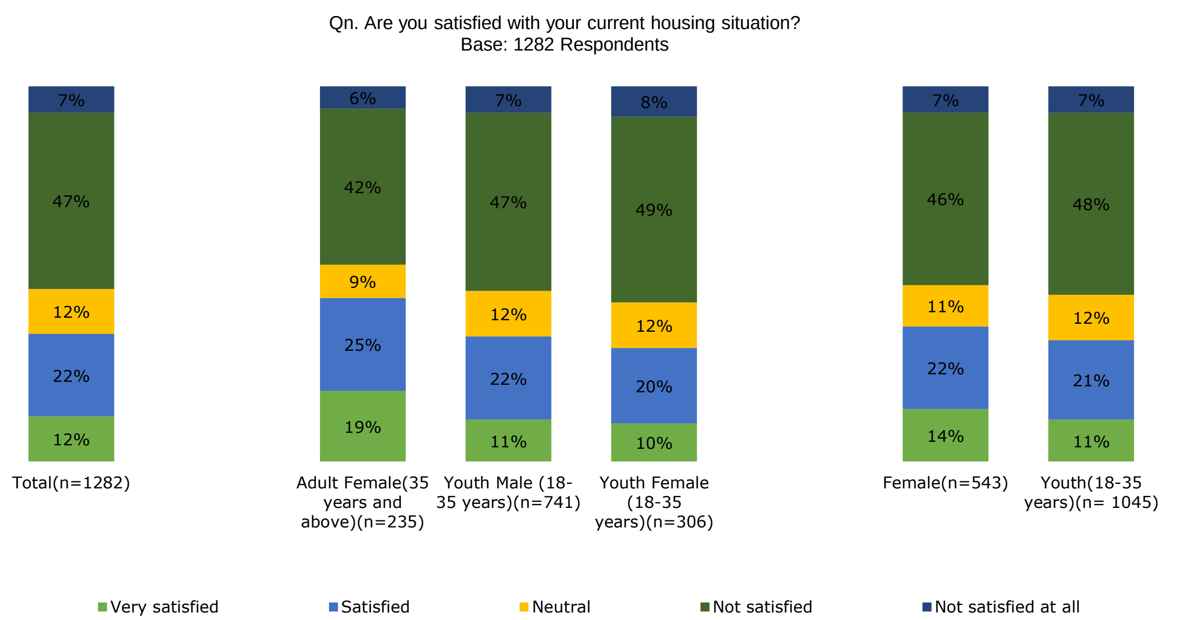


The survey results indicate that renting is the predominant housing arrangement among the eligible segments, with a notable exception for adult women who are more likely to live in their own house (35%) or one that is owned by their spouse (22%). Among the surveyed youth, 23% reported living in their parents' house. This suggests that a significant portion of the youth still resides with their parents, potentially due to financial limitations or cultural norms surrounding independent living.

In contrast, a higher percentage of adult women, specifically 29%, reported renting the house they live in. This indicates that renting is a common situation of adult women, which could be influenced by factors such as mobility, affordability, or the desire for flexibility. Among young women, 42% reported renting the house they live in. This further highlights the prevalence of renting within this segment, suggesting that young women likely to have taken up rental accommodation than homeownership. The variation in housing arrangements reflects the diverse circumstances and preferences of the surveyed population. Renting provides flexibility and affordability, allowing individuals to adapt to changing circumstances or explore different housing options. On the other hand, adult women's higher likelihood of living in their own house may indicate a greater propensity for homeownership, potentially driven by factors such as stability, long-term planning, or investment considerations. For those that rent, across all the segments the eligible target market segments are more likely to pay rent in every 3 months at an average rate of 50,000 per month per household.

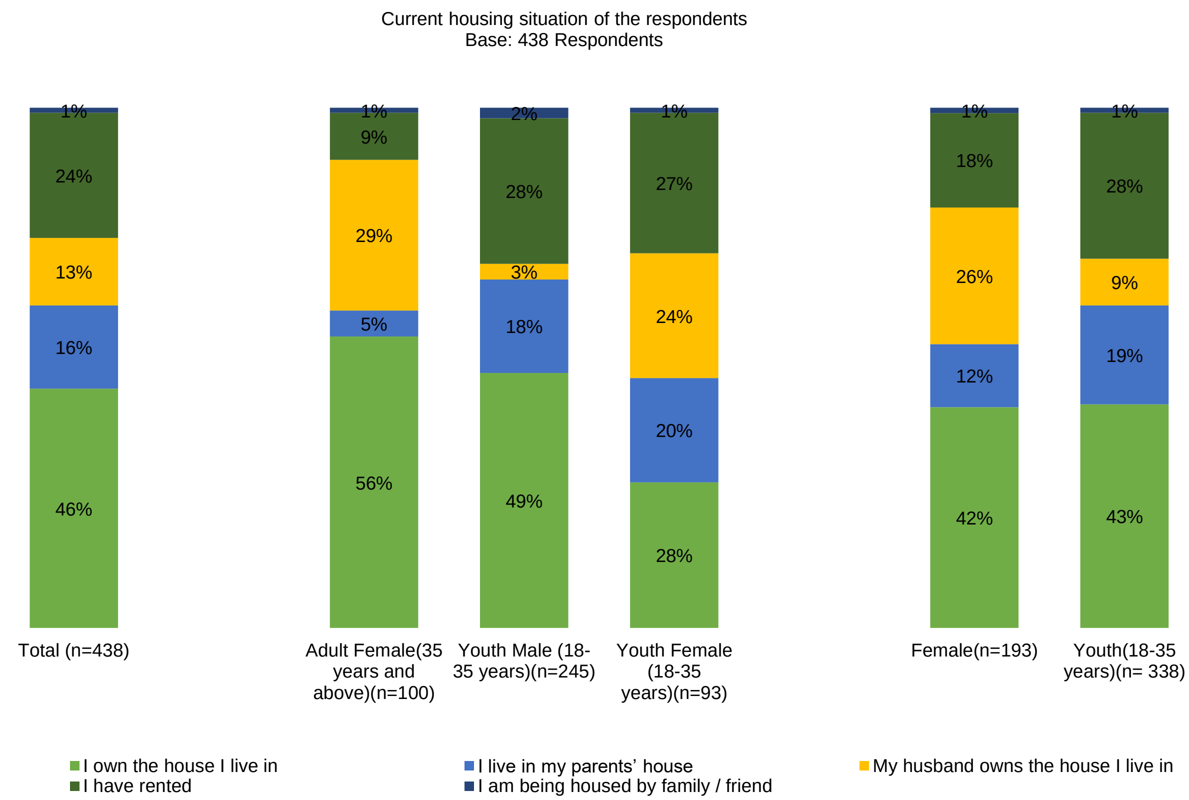
## Finding 7: Adult women are more likely to be satisfied with their housing situation compared to male youth (33%) and female youth (30%)

FIGURE 9 SATISFACTION ON CURRENT HOUSING SITUATION




The survey results indicate that satisfaction with the housing situation among target market segments is generally low, with less than 50% of respondents across all segments reporting satisfaction. However, adult women are more likely to be satisfied with their housing situation compared to male and female youth, in contrast, only 33% of male youth and 30% of female youth reported satisfaction with their current housing situation. These findings highlight the need for housing finance solutions that can cater to the diverse needs of different market segments, particularly those who are least satisfied with their housing situation.

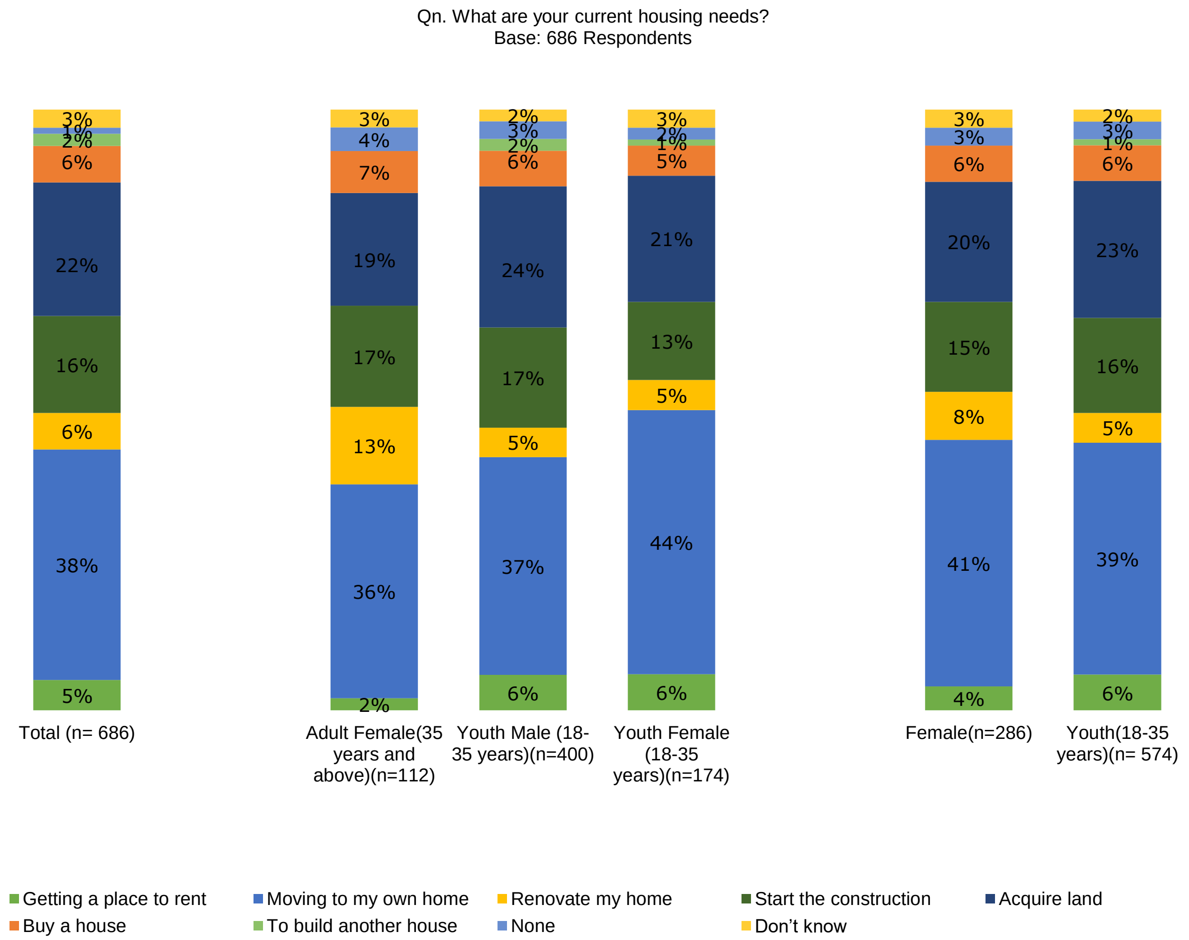
FIGURE 10 CURRENT HOUSING SITUATION OF THE RESPODENTS




Further, the study looked into the relationship between the current housing situation and the level of satisfaction. The findings reveal that most of the respondents who are more likely to be satisfied with their housing situations are the ones owning their own houses following those who have rented which translates the fact that some of them would prefer renting or rather renting is the only option they are in position to explore at the moment.

## Finding 8: The leading housing need among the target market are to move to their own house

FIGURE 11 CURRENT HOUSING NEEDS AMONGST WOMEN AND YOUTH

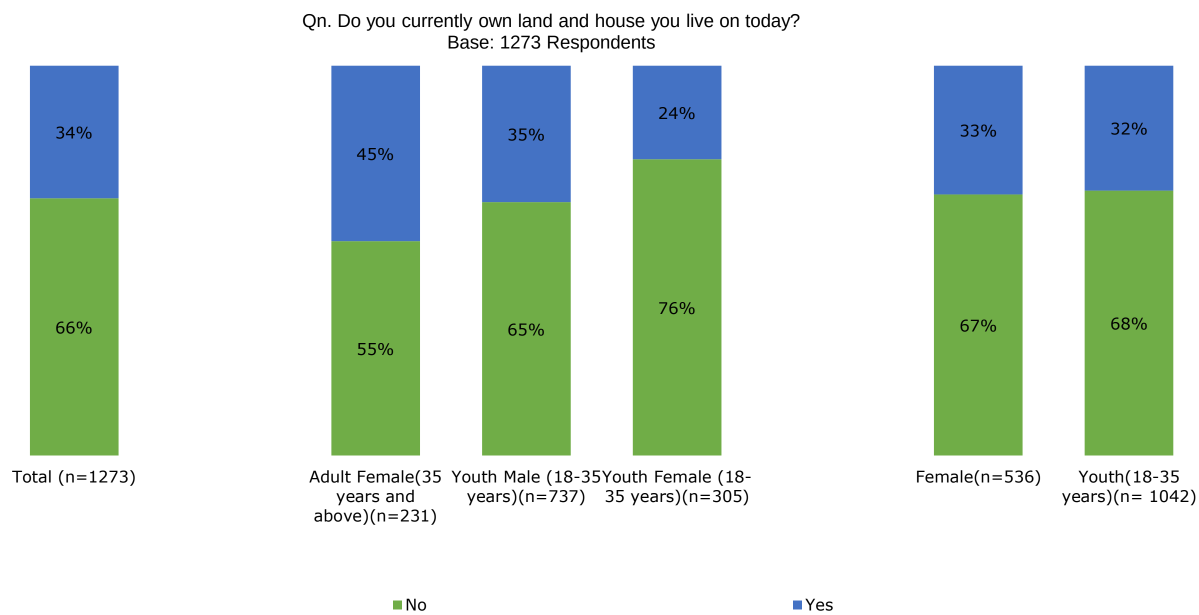


The survey results reveal that among the eligible target respondents, there is a strong desire to improve their housing situation. The majority expressed their preference to move into their own home, acquire land, and start construction. This indicates a desire for homeownership and the aspiration for independent and secure housing. Furthermore, the survey findings highlight an interesting trend among adult women. Whereby 13% of adult women have expressed an interest in renovating their homes. This aligns with the higher number of adult women who own their own homes or live in homes owned by their spouses. Renovation can be seen as a means to improve and customize their existing housing situation to better suit their needs and preferences. The survey also revealed a high level of interest in homeownership among the eligible target market segments. Almost all respondents (1,273 out of 1,282) expressed their interest in owning a home. Similar results were observed when the respondents were asked how important they considered house and land ownership. This underscores the importance of affordable and accessible housing finance solutions that can enable individuals to fulfill their aspirations of homeownership.

These findings provide valuable insights for housing finance providers and policymakers, indicating the demand for housing solutions that facilitate home acquisition, land ownership, construction, and renovation. By understanding the specific housing needs and preferences of the surveyed population, tailored housing finance products and initiatives can be developed to support their aspirations and improve overall housing conditions.

## Finding 09: Female youths are less likely to own land or the house they currently live in

FIGURE 12 HOUSE OWNERSHIP

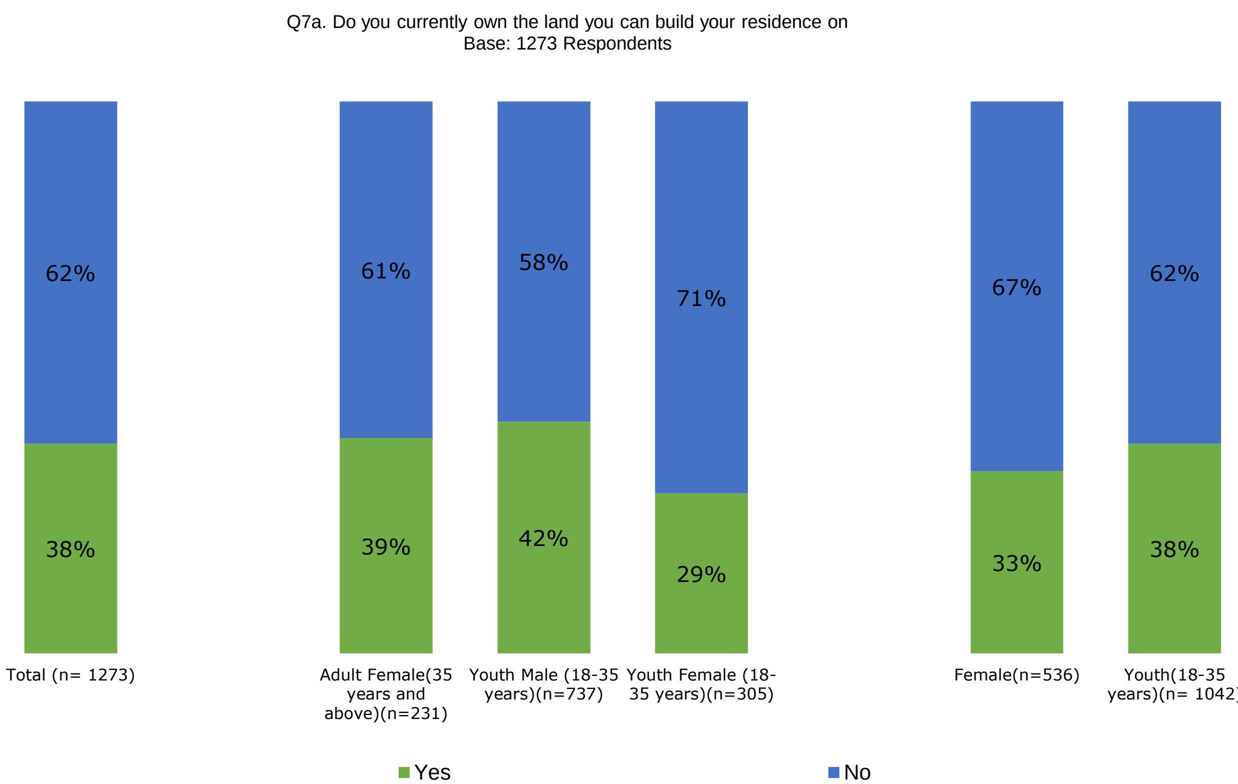



The market scoping study findings reveal significant disparities in house ownership among the target population, with female youths and adult women facing notable challenges in this area. The data indicates that eligible female youths have lower rates of land and house ownership, while a substantial 55% of adult women do not possess the land or house, they reside in. In contrast, more than 3 in 10 young men own the land and house they live in, highlighting gender-based discrepancies in land and housing ownership.

These disparities in land and housing ownership have far-reaching implications for eligible female youths and adult women, affecting their housing security, financial stability, and overall empowerment. Addressing these disparities is crucial to create equitable opportunities for women to access and own land and housing. Interventions and strategies should be implemented to promote gender equality and enhance women's rights to property ownership.

When the participants who did not own land or a house were asked about the reasons hindering their ownership, an overwhelming majority (above 97% of the target segments) mentioned financial constraints as the primary obstacle. The second most common response was the high costs associated with construction. These findings underscore the need for interventions that address financial constraints and reduce construction costs to enable eligible female youths and adult women to attain land and housing ownership. By tackling these challenges and implementing targeted interventions, we can work towards closing the gender gap in land and housing ownership. This will contribute to improved housing security, enhanced financial well-being, and increased empowerment for eligible female youths and adult women in the target population.

FIGURE 13 LAND OWNERSHIP



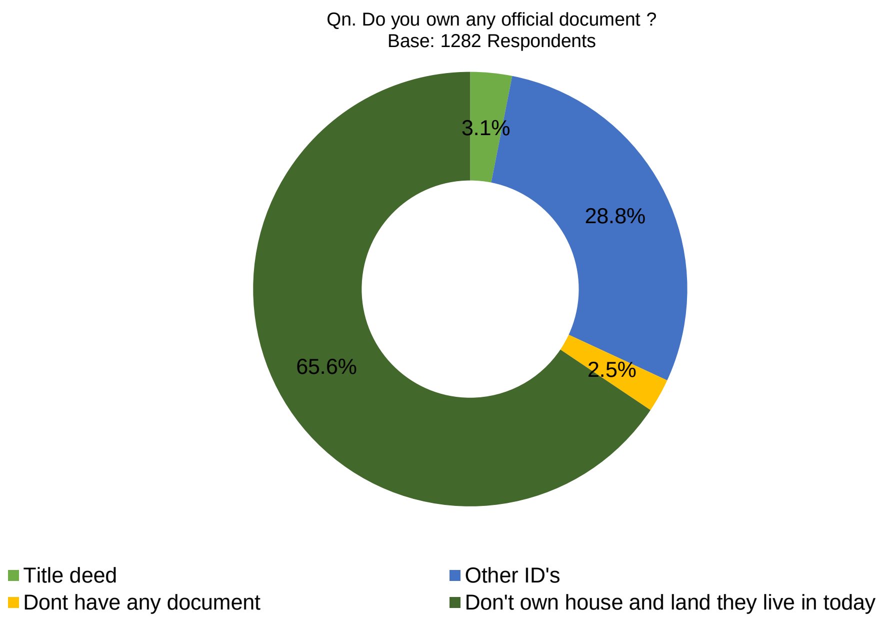

On the other hand, the study reveals 61% of the adult female do not own a house they can build residence, and 71% of young female do not own land in contrast of 58% of male youth. This indicates, indicates a significant gap in property ownership between genders. This disparity raises concerns about financial stability, security, and opportunities for women. Socioeconomic factors such as wage gaps, limited access to education and employment opportunities, and cultural norms can play a role. These factors may restrict women's ability to accumulate wealth and savings required for property ownership. During Focus group discussion, when asked about the challenges they face when attempting to own a house, the women highlighted several key issues such as financial constraints along with the high cost of building materials, the high price of land, social beliefs and cultural norms and failure to access to loans.

Furthermore, implementing comprehensive solutions such as providing financial assistance, promoting affordable housing options, challenging societal norms, and improving access to loans can empower women and youth, enabling them to overcome financial constraints and give a supportive environment that fosters equal opportunities for housing ownership*. "We don't have money to buy land and build the house"* **- Woman, Mwanza.**

However, there is a slight difference in land ownership among women and youth, whereby 38% of the entire youth don't own land and 33% of the female population do not own land. These barriers may include limited access to capital, lower income levels, discriminatory lending practices, and social norms that restrict women's economic opportunities. On the other hand, the youth participants also shared their perspective on the challenges they face in owning a house. They highlighted the high cost of land, as well as high cost of building materials. Another significant concern expressed by the youth was the high unemployment rate, which essentially makes it difficult for them to accumulate the necessary funds to build a house*." The challenge is money to build the house"*- **Youth Zanzibar**. Access to house financing becomes crucial for women in overcoming these obstacles and facilitating land ownership.

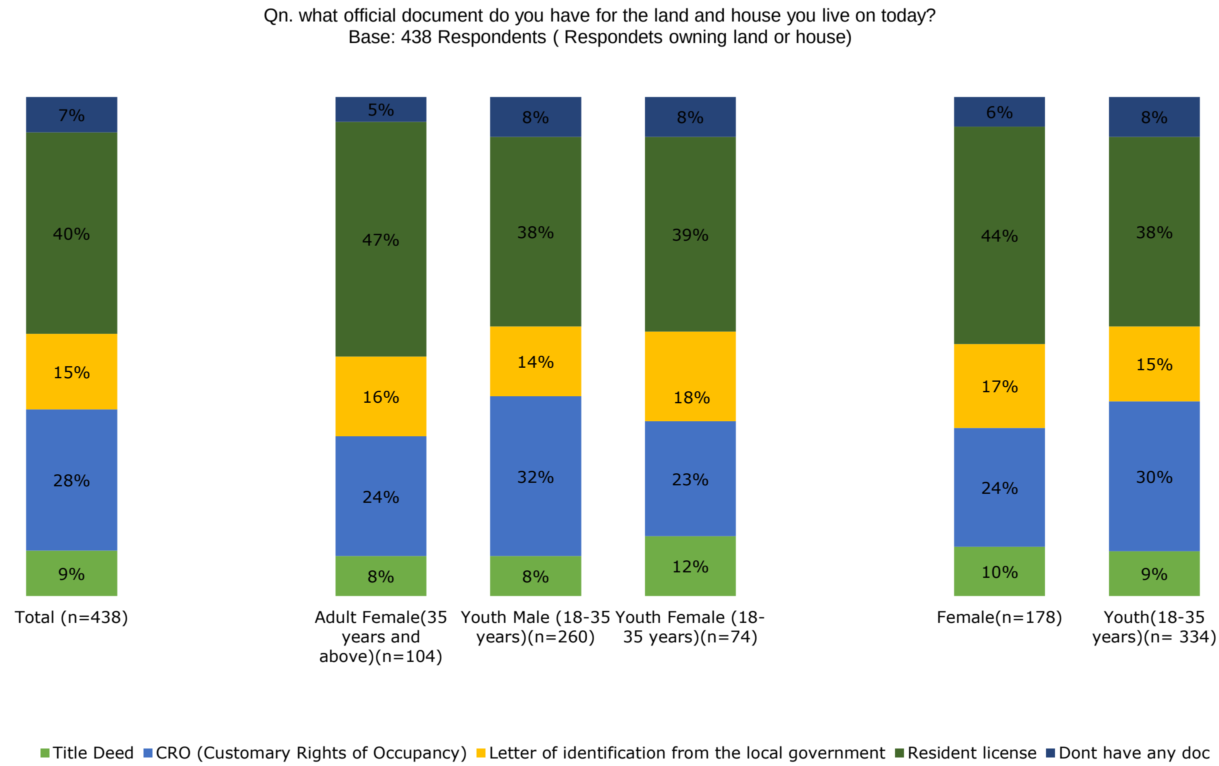
## Finding 10: Only 3.1% of the target segments that own land possessed a title deed

FIGURE 14 RESPONDENTS WITH TITLE DEED PER TOTAL RESPONDENTS




The study looked into official documentation ownership of the total population of 1282 individuals in the target market, the results reveal that a mere 3.1% of 438 respondents who own land or a house have a title deed. This highlights the substantial disparity in title deed ownership as an official document and provides insight into overall house ownership within the target market segment.

FIGURE 15 OWNERSHIP OF OFFICIAL DOCUMENTS




When asked if they possessed any documents proving ownership, only 48 answered this question out of the 438 respondents (around 10.9 % of the individuals that own land) stated that they had a title deed for the land or house they occupy. It is important to note that this difference was not statistically significant.

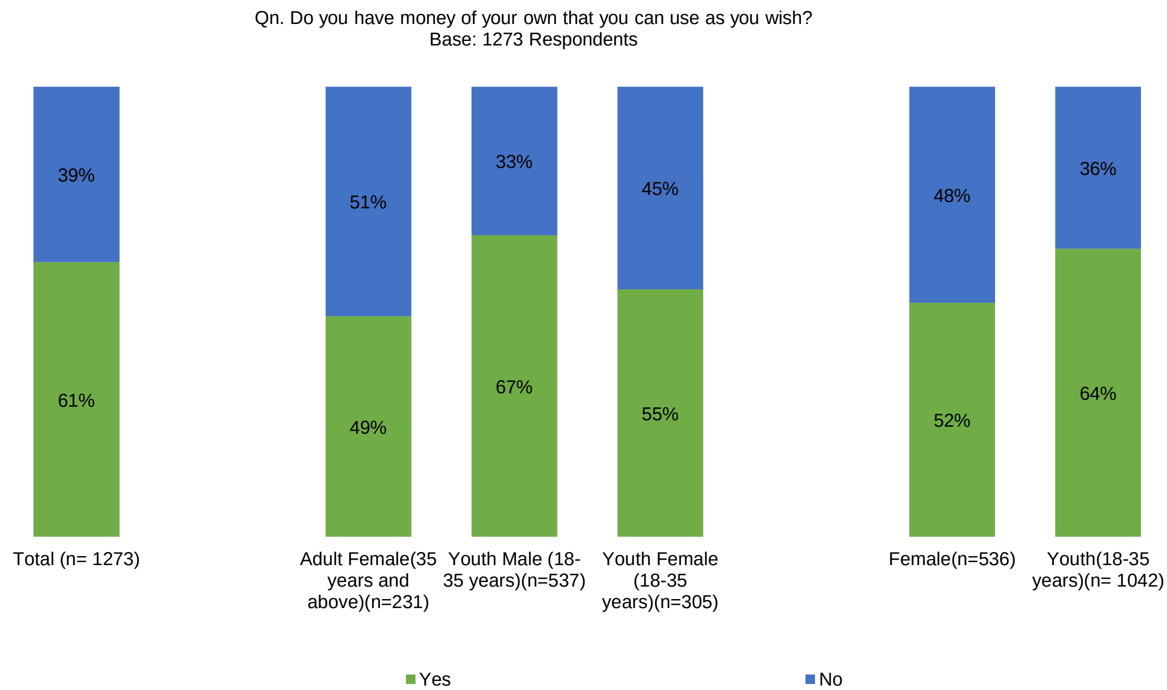
The low percentage of respondents with title deeds for their land or house indicates a significant gap in formal documentation of ownership among the target population. The lack of proper documentation can pose challenges in terms of legal protection, property rights, and accessing financial services related to land and housing.

To address this issue, it is recommended to prioritize efforts to increase awareness and facilitate the process of obtaining formal ownership documents, such as title deeds. This can be achieved through targeted education campaigns, simplified administrative procedures, and support from relevant government institutions and local authorities. Additionally, interventions aimed at promoting gender equality in land ownership and empowering women to secure their property rights should be considered. By improving the documentation of land and housing ownership, particularly among eligible female youths and other marginalized groups, we can enhance their security of tenure, promote economic empowerment, and facilitate access to financial services that are linked to land and housing assets.

## B. Eligible Market Segments Financial Behavior Towards Housing Finance

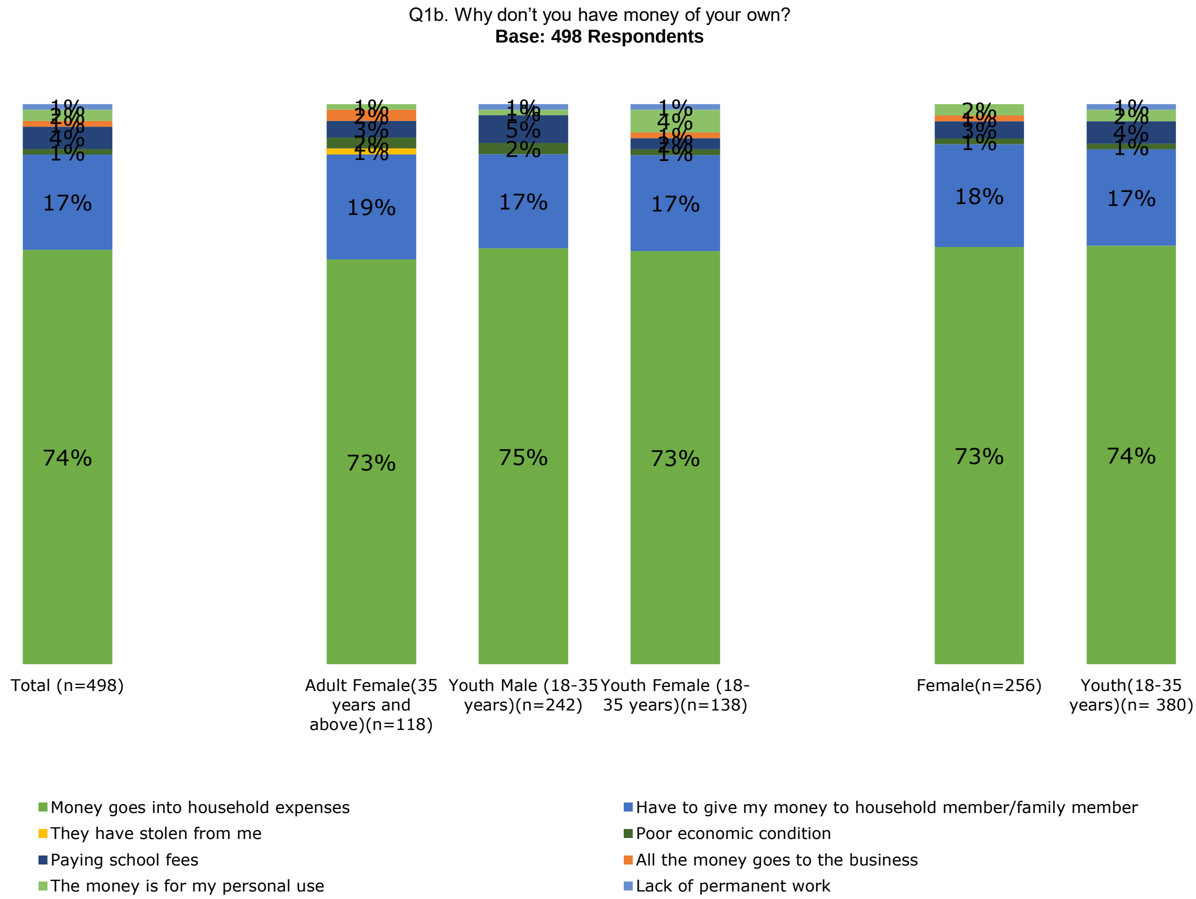
### Finding 11: There is a higher percentage of male youth that have money of their own that they can use as they wish

FIGURE 16 RESPONDENTS OWNING MONEY OF THEIR OWN




The survey results reveal slight differences in financial autonomy among the eligible target market segments. Whereby, male youth stand out with 67% reporting having money of their own that they can use as they wish, indicating a higher level of financial independence. In contrast, 55% of young females and 49% of adult females who have money that they can use freely, suggesting a potential limitation on their financial autonomy compared to male youth. A majority of women (73%) attribute their lack of personal funds to household expenses, signifying their financial contributions towards meeting family needs. These findings shed light on the varying levels of financial autonomy and highlight the importance of promoting financial empowerment among women and youth.

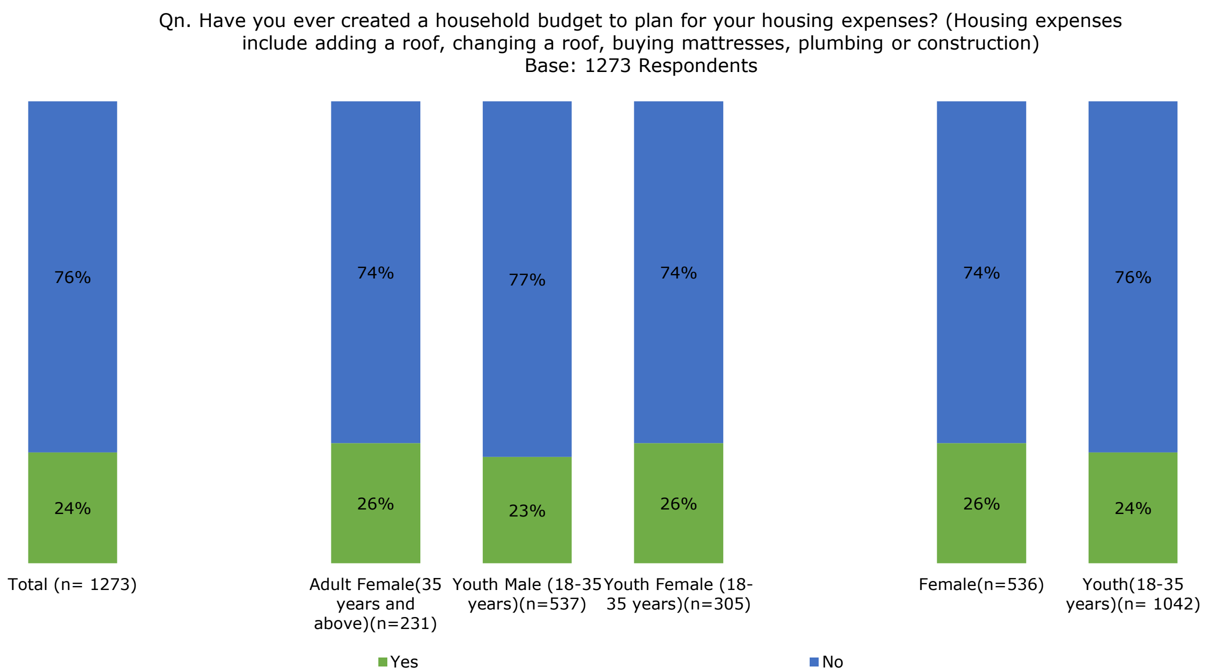
**FIGURE 17 WHY RESPONDENTS DON'T HAVE THEIR OWN MONEY**




On the other hand, when respondents engaged on the underlying reasons why they do not have money of their own that they can do whatever they wish for. The findings shed light that most of the respondents included in the survey do not have a regular income/permanent work and have money that is enough for their own personal which limits room for them to plan for housing purposes hence their capacity to access and use the financial services deployed in the market is limited. Hence, to easy access and usage of housing finance products, there is a need to promote employment skills, self-reliance, education, and budgeting practices that can enhance financial management, facilitate savings, and contribute to more effective utilization of housing finance resources.

## Finding 12: More than 70% of respondents have never created a budget for housing finance expenses

FIGURE 18 RESPONDENTS WHO HAVE CREATED HOUSEHOLD BUDGET FOR HOUSE EXPENSES



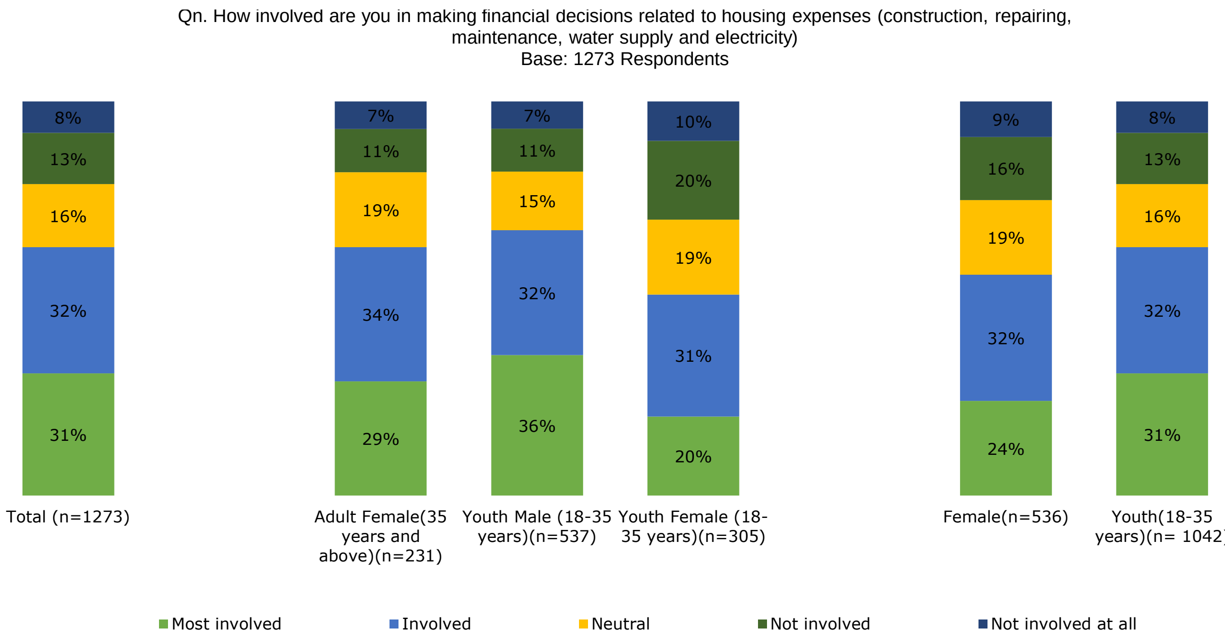

The survey results reveal a significant lack of budgeting practices for housing finance among the eligible target market segments more than 70% of respondents have admitted to never having created a budget specifically for housing expenses. During focus group discussions with women, participants were asked about their daily, weekly, or monthly budget decisions and their involvement in managing household finances. The responses highlighted common budgetary concerns among the women participants in areas such as expenses for food, transport, and school fees than the decisions related to renting and housing expenses. "My daily budget is on food and transport"- Woman, Dar es salaam

However, during the discussion with youth, most of the respondents revealed their daily, weekly, or monthly budget decisions on renting and their role in managing household finances. In terms of managing their money, some managed their finances entirely by themselves, while others made budget decisions in collaboration with their spouses. The level of influence on budgetary decisions varied among participants, with some exerting 100% influence and others having a 50% influence. "I influence budget decision in my house by 100%"- Male youth, Mwanza.

The study further reveals no statistically significant difference in the proportion of the target segments who have a habit of budget preparation in line with housing expenses.

## Finding 13: Male youth are slightly more likely to be involved in making a financial decision related to housing expenses than adult women and youth women

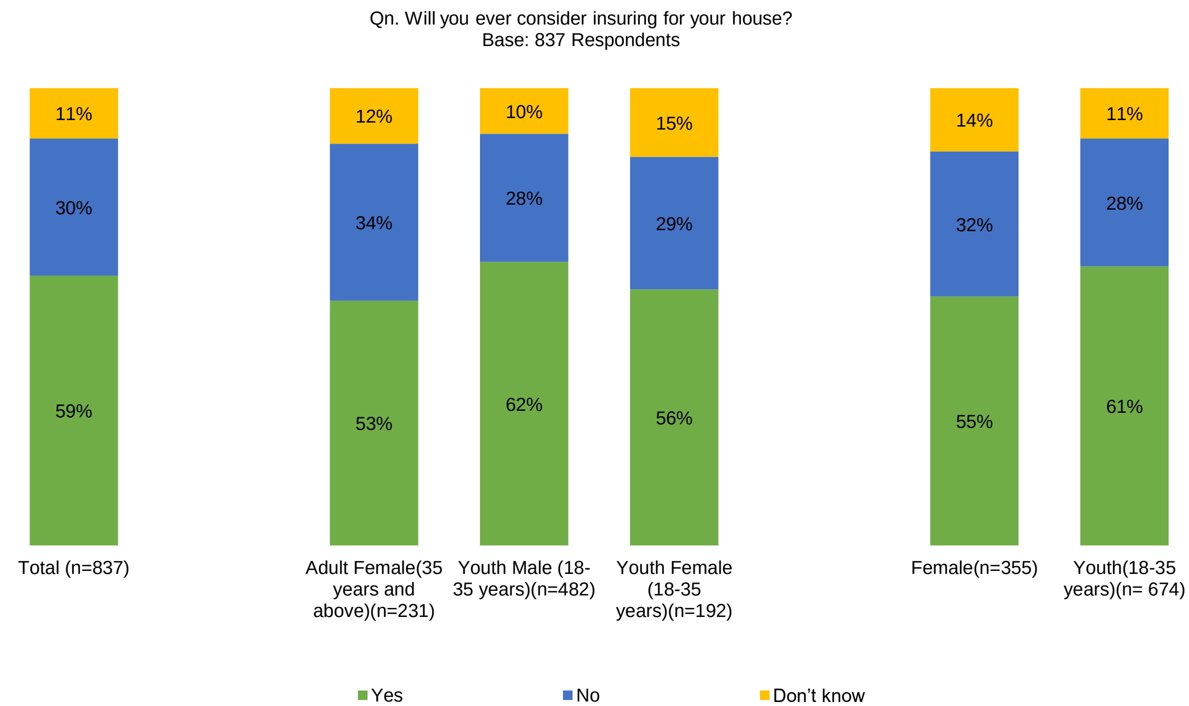
FIGURE 19 INVOLVEMENT IN MAKING A FINANCIAL DECISION




The survey results indicate that eligible male youth have a slightly higher level of involvement in financial decisions related to housing expenses compared to adult women and young women. On the other hand, there is a very slight difference of 3% of entire women and youth expressed limited involvement. These findings suggest that there may be variations in the level of involvement across different segments of the surveyed population. Therefore, there is a need to create mechanism on the decision-making involvement in housing related matter that will in turn create an appetite for women and youth to develop an interest in housing issues and hence their awareness and access to housing finance services.

## Finding 14: There is a slightly higher percentage of male youth respondents (62%) that plans on insuring their houses

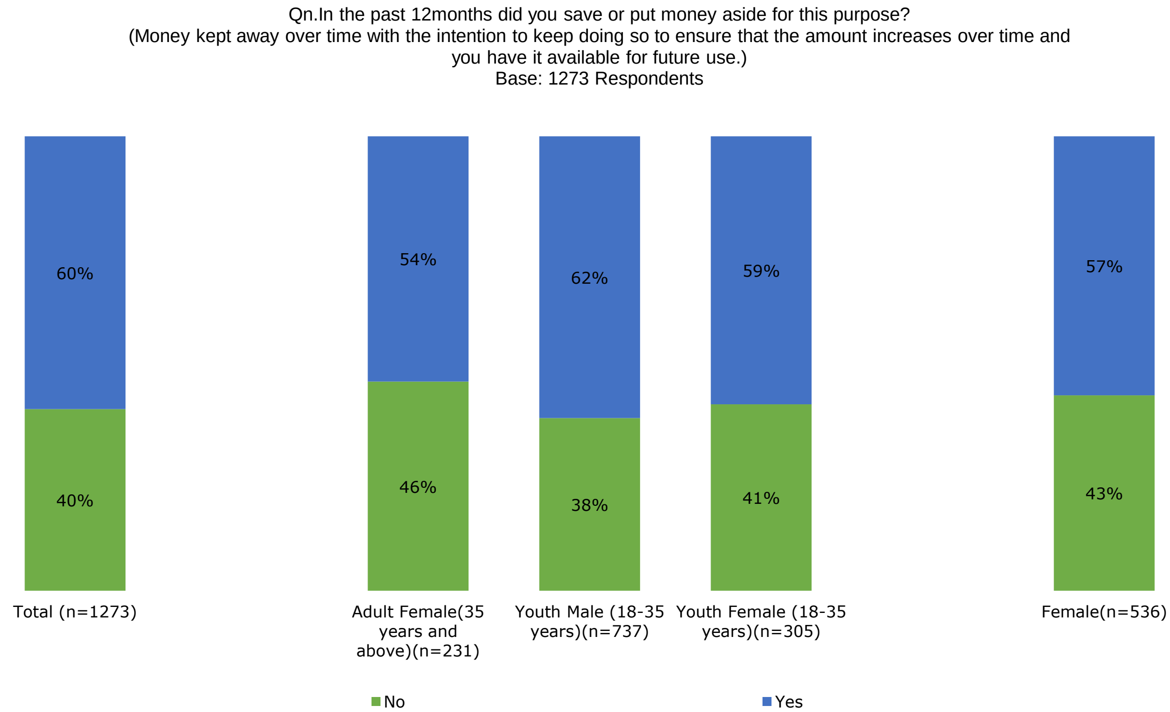
FIGURE 20 RESPONDENTS CONSIDERING TO ACQUIRE HOUSING INSURANCE




The market scoping study has revealed a concerning trend regarding the uptake of housing insurance among the target population. The results shows that there is a large portion of male youth who consider to acquire housing insurance services for their own houses compared to female youth and adult women. This translate that male youth are predominantly exposed on the housing finance services like insurance unlike the female youth and adult women.

## Finding 15: More than half of the respondents have saved in the past 12 months

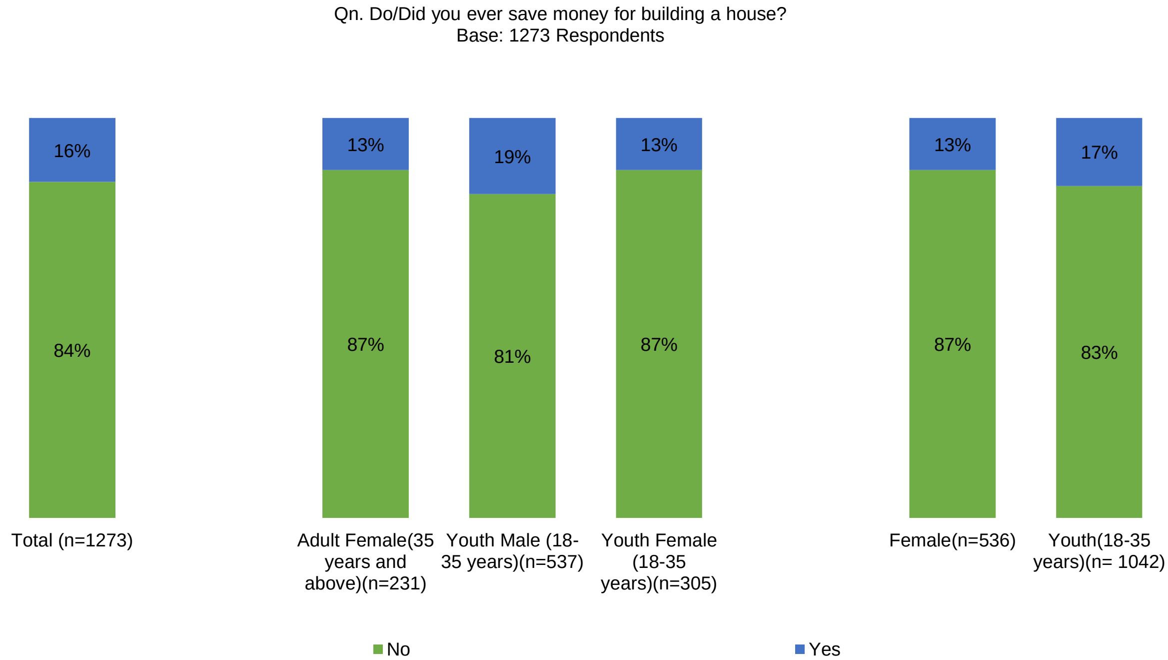
FIGURE 21 MONEY SET FOR SAVED OR SET ASIDE FOR HOUSING PURPOSES




The survey results indicate that more than half of the respondents have saved or put aside money in the past 12 months, reflecting a positive savings behavior among the surveyed population. However, it is worth noting that 46% of adult women have not saved during this period, suggesting a potential gap in their savings habits.

On the other hand, most young men (62%) have saved in the past 12 months, indicating a higher propensity for savings among this group. Among young women, 41% have not saved in the past year, highlighting a mixed savings pattern among female youth.

FIGURE 22 RESPONDENTS WHO DO/HAVE SAVE MONEY FOR BUILDING A HOUSE




Furthermore, the data suggest that a small percentage (below 20%) of the market segments have saved money specifically for building a house. This finding indicates a relatively lower emphasis on savings for housing-related asset building within the surveyed population.

The survey findings highlight the significance of making financial decisions that promote savings behaviors across various demographics, with a specific focus on adult women and young women.

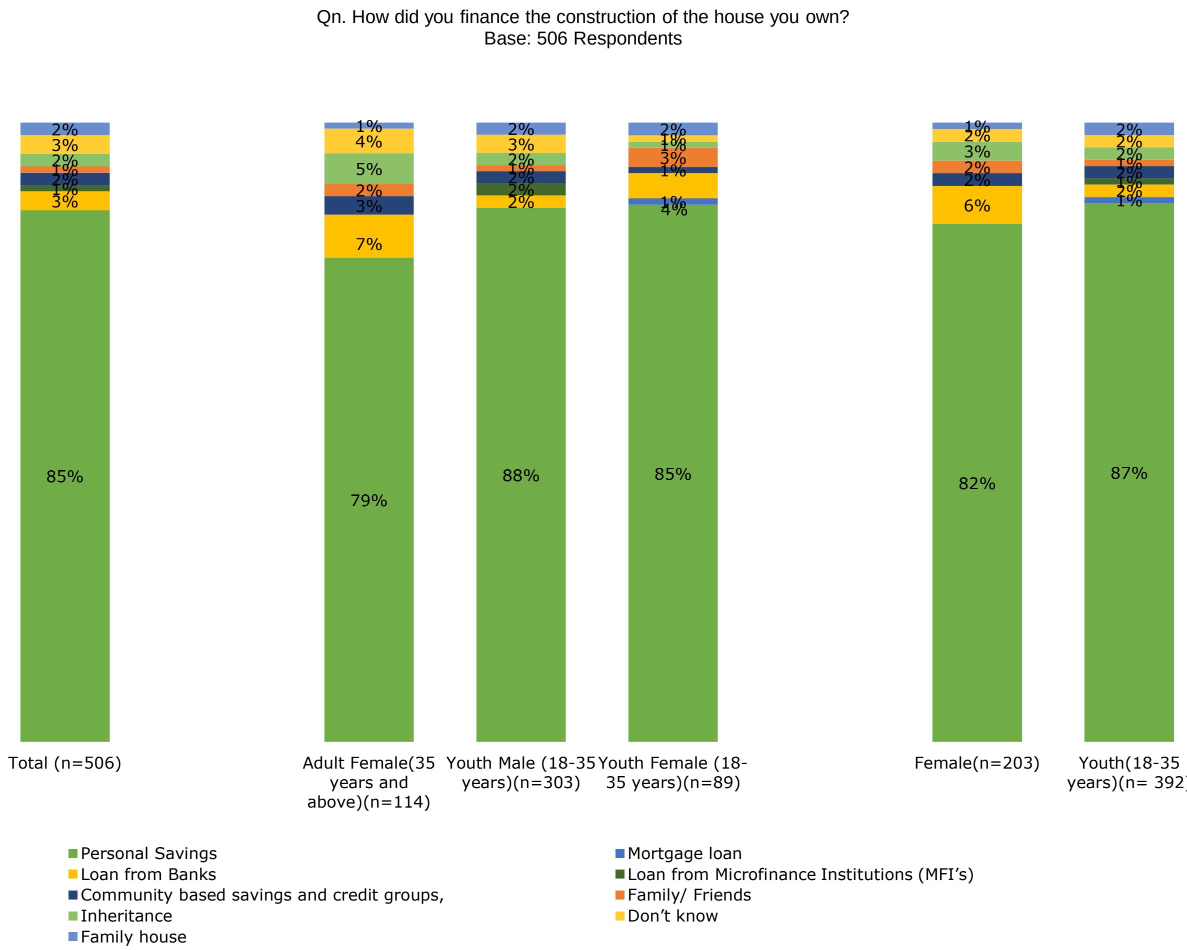
During focus group discussions with women participants, their perspectives on saving money were explored, along with their saving practices and the factors influencing their saving discipline. The responses reflected a range of attitudes and approaches to saving money. For some participants, saving money was perceived as a positive action and a means to prepare for future challenges or to achieve specific plans and goals. They emphasized the importance of saving money regularly, either on a daily or monthly basis. Others mentioned saving money when they had extra income available. In addition to that, various factors motivated the participants to maintain a saving discipline including, meeting financial goals, such as providing better education for their children, constructing a house, or covering rent and other bills. Emergency expenses, such as medical costs, were also mentioned as reasons for saving among women *respondents. "I save money because of emergencies like sickness"*- **Woman- Dar Salaam**.

Furthermore, findings on the youth respondents provided insights into how saving money was perceived and practiced among the participants. Saving money was seen as a means to achieve financial independence, prepare for emergencies, and secure a better future. Youth expressed a range of saving habits, with some saving money daily, others on a monthly basis, and some when they had extra income available. The factors for saving discipline among youth were meeting financial goals, such as paying for children's school fees, constructing a house, buying assets like land, and covering bills such as rent and utilities. Participants also emphasized the importance of saving money as a means of addressing emergencies and unexpected expenses. *"I save money to buy land"*- **Youth, Zanzibar.**

Overall, the findings highlight the positive attitudes and diverse motivations driving women and youth saving practices, ranging from addressing immediate needs to planning for long-term goals. Encouraging and facilitating savings for the purpose of asset building, such as housing, can have a positive impact on long-term financial stability and enable individuals to reach their housing objectives. Providing financial education and implementing specific interventions can greatly contribute to cultivating a mindset of saving and accumulating assets within the surveyed population.

## Finding 16: Personal savings are the main sources of housing financing for women and youth

FIGURE 23 FINANCE OF CONSTRUCTED HOUSE (S)



Among the respondents who mentioned they owned a house; the survey results indicate that approximately 8 out of 10 of them built their houses using personal savings. This suggests a significant reliance on personal funds for housing construction, highlighting the importance of individual savings in achieving homeownership. Further, the survey probed to understand why they built their houses with their personal funds the results reveled that more than 90% have built their houses in stages/incrementally this justifies that the process was dependent with own financial muscle and stopped once their savings went dry.

Furthermore, the survey findings reveal that only a few respondents indicated obtaining a loan from a bank or taking a mortgage to finance their house construction. This indication of a lower prevalence of formal financial institutions' involvement in providing housing finance for the surveyed population indicates that there is a gap between the financial products and market fit. These findings emphasize the significance of personal savings as a primary source of funding for housing construction. It also suggests a potential gap in access to formal housing finance options, such as bank loans or mortgages, among the surveyed population.

During focus group discussions, women participants highlighted their thoughts on borrowing money for housing purposes. The responses provided a mixed perspective among women. While some few participants have considered borrowing money for housing, others have not. Regarding potential sources of borrowing, participants mentioned social groups such as VICOBA (Village Community Banks) and banking institutions as potential options for obtaining a housing loan*. "I borrowed from a bank to finish my house and the interest rate was low"*- **Woman, Zanzibar**.

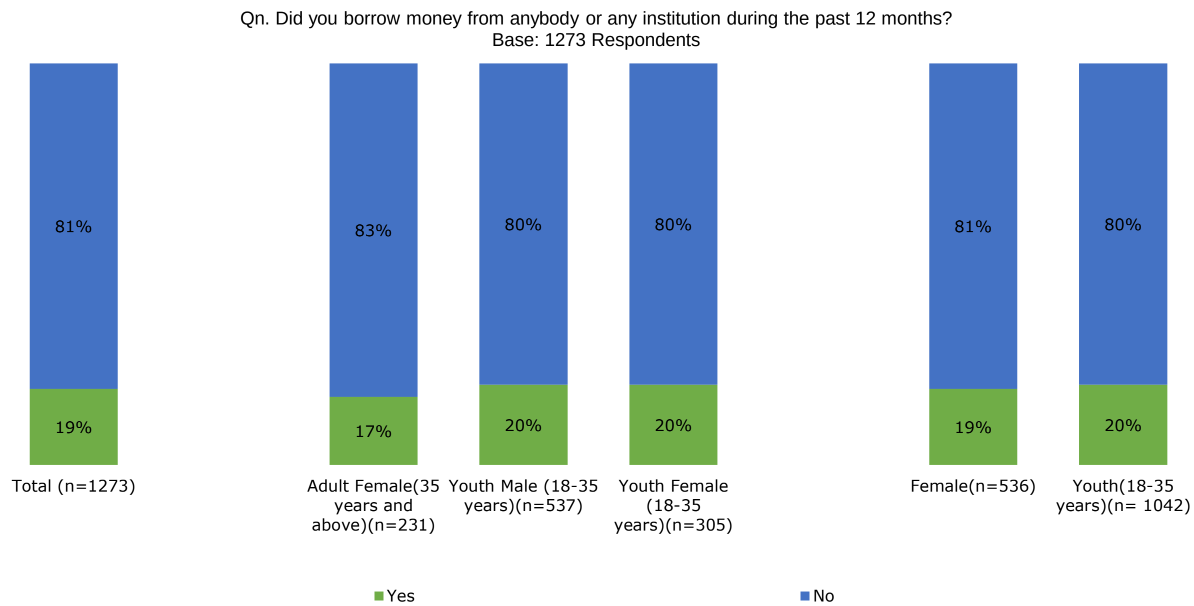
The youth findings indicated that some youths have indeed considered borrowing money for housing. However, their potential sources of borrowing varied, with some mentioning borrowing from friends and others would consider borrowing from bank. Generally, to facilitate access to housing finance for women and youth, it is crucial to enhance awareness about borrowing options, such as banking institutions and social groups like VICOBA. Additionally, financial literacy programs can empower individuals by equipping them with knowledge about loan processes, interest rates, and favorable terms.

Addressing this gap and increasing access to housing finance options from financial institutions could potentially support more individuals in achieving their homeownership goals in a shorter period of time and to relief stresses of double payment of rent/housing cost. It highlights the importance of developing affordable and accessible housing finance solutions that cater to the specific needs and financial capabilities of the surveyed population, enabling them to secure adequate housing through a variety of financing options beyond personal savings.

## C. Borrowing Behavior amongst Women and Youth

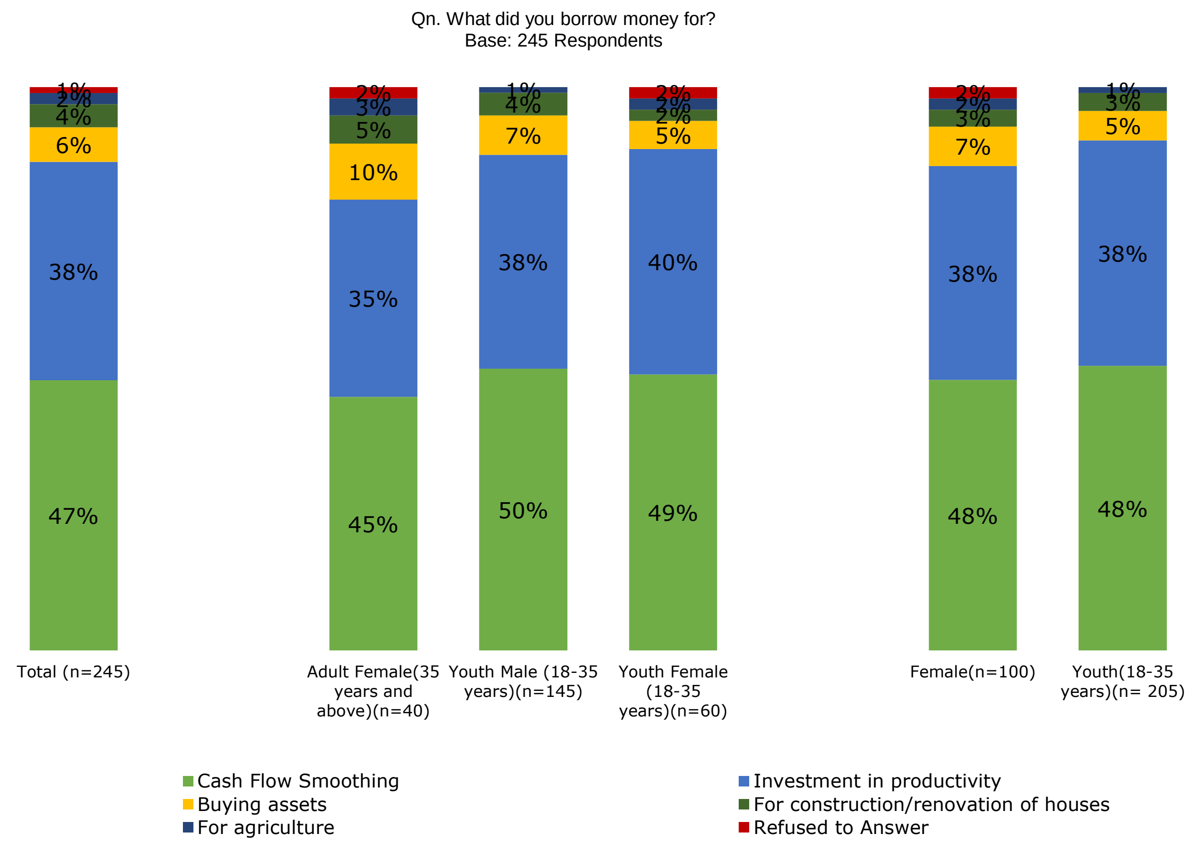
### Finding 17: Around 2 out of 10 of the eligible target segments borrowed money in the past 12 months

FIGURE 24 MONEY BORROWED IN THE PAST 12 MONTHS




The survey reveals that around 20% of the market segments in this survey have borrowed from individuals or institutions within the past 12 months. Among those who borrowed, the majority (almost 50%) did so more than 6 months ago, indicating a low appetite for borrowing among the target segment. The main motivations for borrowing were cashflow smoothing and investment in productivity, highlighting the need for financial resources to manage day-to-day expenses and enhance income-generating activities.

FIGURE 25 PURPOSE FOR BORROWING MONEY

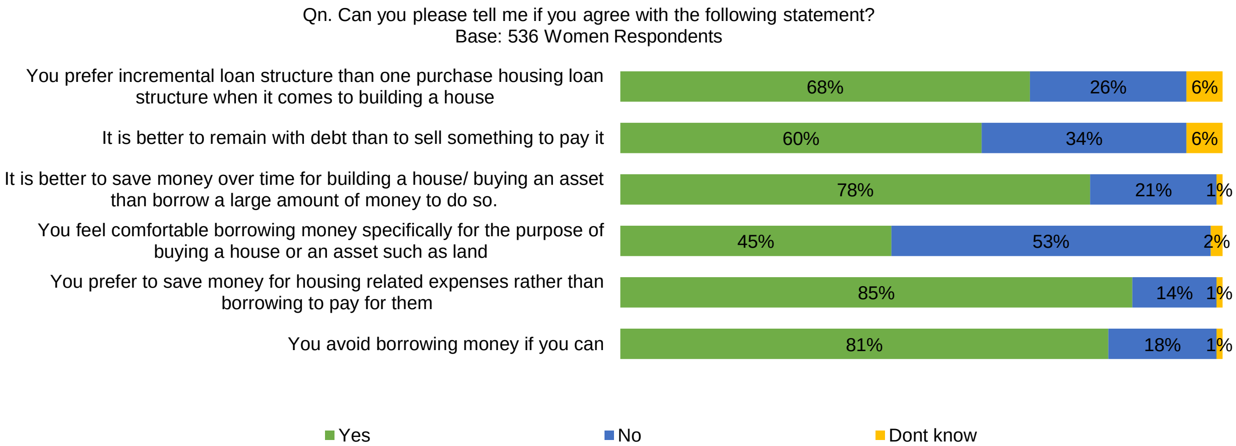



However, the survey results indicate that borrowing for asset building purposes, such as housing or acquiring assets, was less common among the target market segments. This suggests a lower emphasis on borrowing for long-term asset accumulation. Overall, these findings suggest that borrowing among the eligible target market segments is driven more by short-term financial needs and livelihood improvement/ income generation rather than long-term asset-building objectives. It implies the importance of providing accessible and suitable financial products that cater to the specific borrowing needs and goals of the surveyed population, including flexible repayment terms and targeted support for asset-building endeavors.

## Finding 18: Eligible target segments prefer saving money to borrowing

### i. Youth in target segments prefer saving money to borrowing

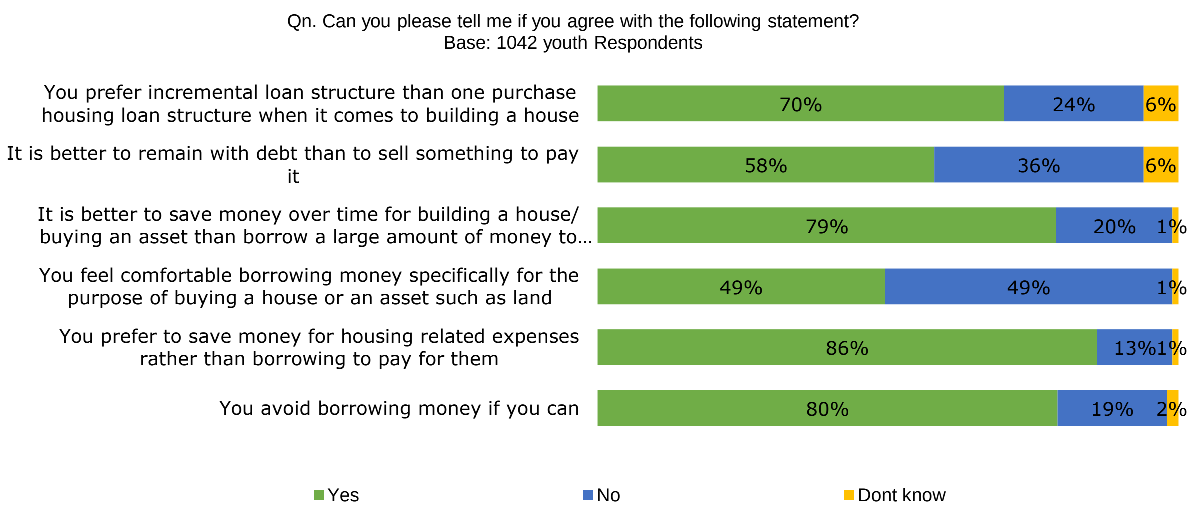
FIGURE 26 WOMEN AGREEING WITH BORROWING STATEMENTS




Based on the provided data regarding borrowing, it is evident that women and young respondents express a strong inclination towards prioritizing savings over borrowing due to financial constraints. A significant majority, 85%, express a preference for saving funds specifically for housing needs, highlighting a desire for self-funding and financial stability. Additionally, 68% of the women respondents prefer incremental loan structure than one time purchase housing loan.

### ii. Youth in target segments prefer saving money to borrowing

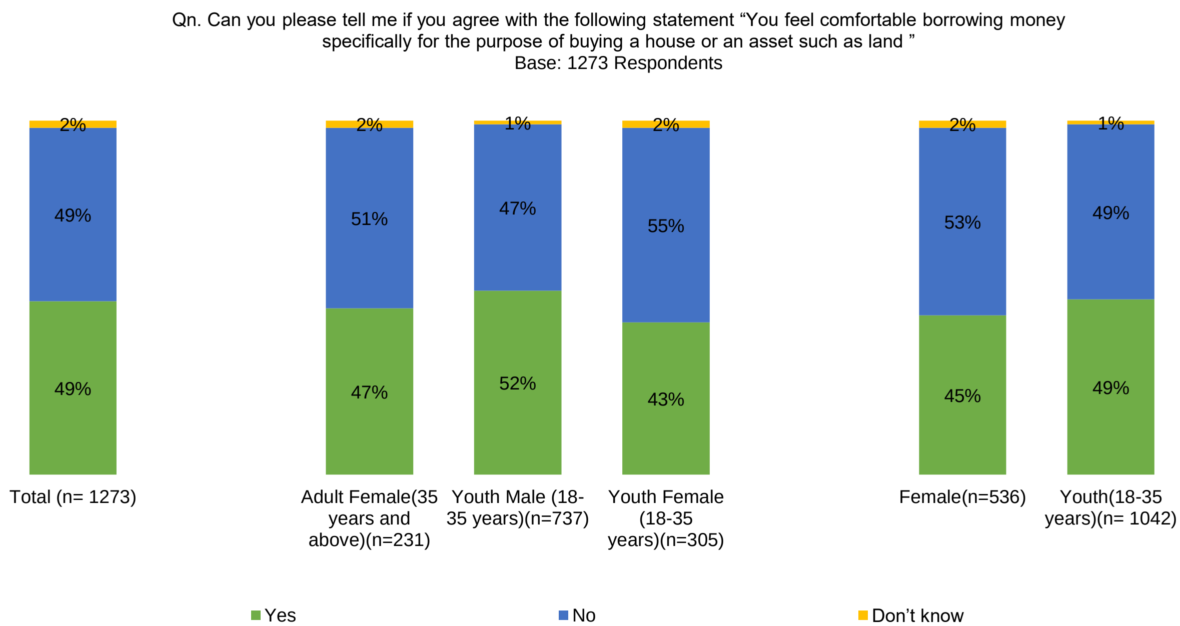
FIGURE 27 YOUTH AGREEING WITH BORROWING STATEMENTS



On the other hand, survey results indicate a strong preference among youth respondents for saving money rather than borrowing to cover housing-related expenses. A significant majority, 79%, express a preference for saving funds specifically for housing needs which is slightly less than that of women's respondents.

Additionally, 80% of the overall respondents indicate a tendency to avoid borrowing money whenever possible. This finding suggests a cautious approach towards taking on debt and a preference for financial independence. When considering housing loans, 69% of the eligible respondents show a preference for an incremental loan structure over a one-time purchase housing loan. This aligns with the concept of phased construction or gradual building, indicating a preference for financing options that cater to the progress of the construction process.

#### FIGURE 28 COMFORT IN BORROWING FOR HOUSING PURPOSES



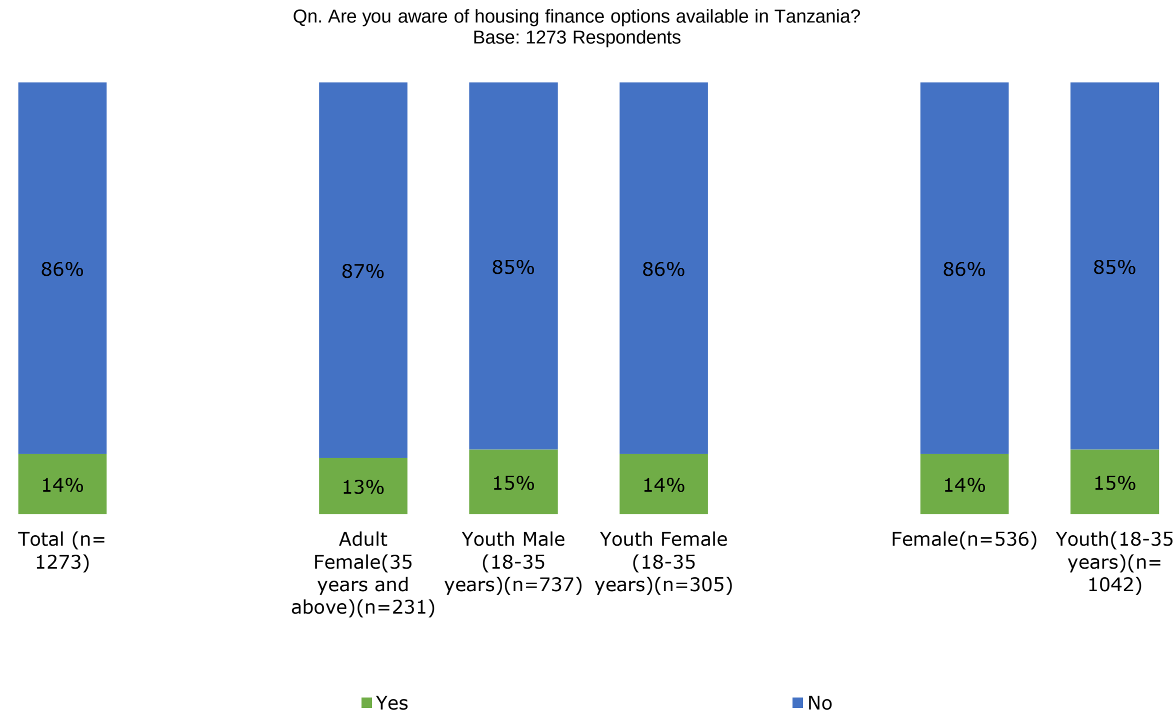

As indicated in the chart above, approximately half of the target segments express discomfort in borrowing money specifically for the purpose of buying a house or an asset like land. This finding suggests a cautious approach toward taking on debt for housing-related expenses.

Interestingly, there is a large percent of young men compared to female youth and adult women who indicate comfort in borrowing money for buying a house or an asset such as land, showing a relatively higher willingness among this segment to take on housing-related loans. On the other hand, the majority of women express a higher discomfort in borrowing for these purposes, indicating a more conservative stance towards debt for housing. The survey results also reveal a preference for saving money over time rather than borrowing a large amount for building a house or purchasing an asset. This finding highlights a strong inclination towards self-funding and the gradual accumulation of resources for housing-related endeavors.

Moreover, the eligible target segments prefer an incremental loan structure rather than a single-purchase housing loan when it comes to building a house. This approach aligns with the concept of phased construction or incremental building, where financing is obtained in stages as the construction progresses. Overall, these findings underscore the importance of providing flexible and tailored financing options that cater to the preferences and comfort levels of the surveyed population. A range of loan structures and savings mechanisms can be explored to support housing aspirations while respecting individual financial circumstances and risk tolerance.

## Finding 19: More than 8 out 10 of the target market segments are not aware of housing finance options available in Tanzania

FIGURE 29 AWARENESS ON HOUSING FINANCE OPTIONS

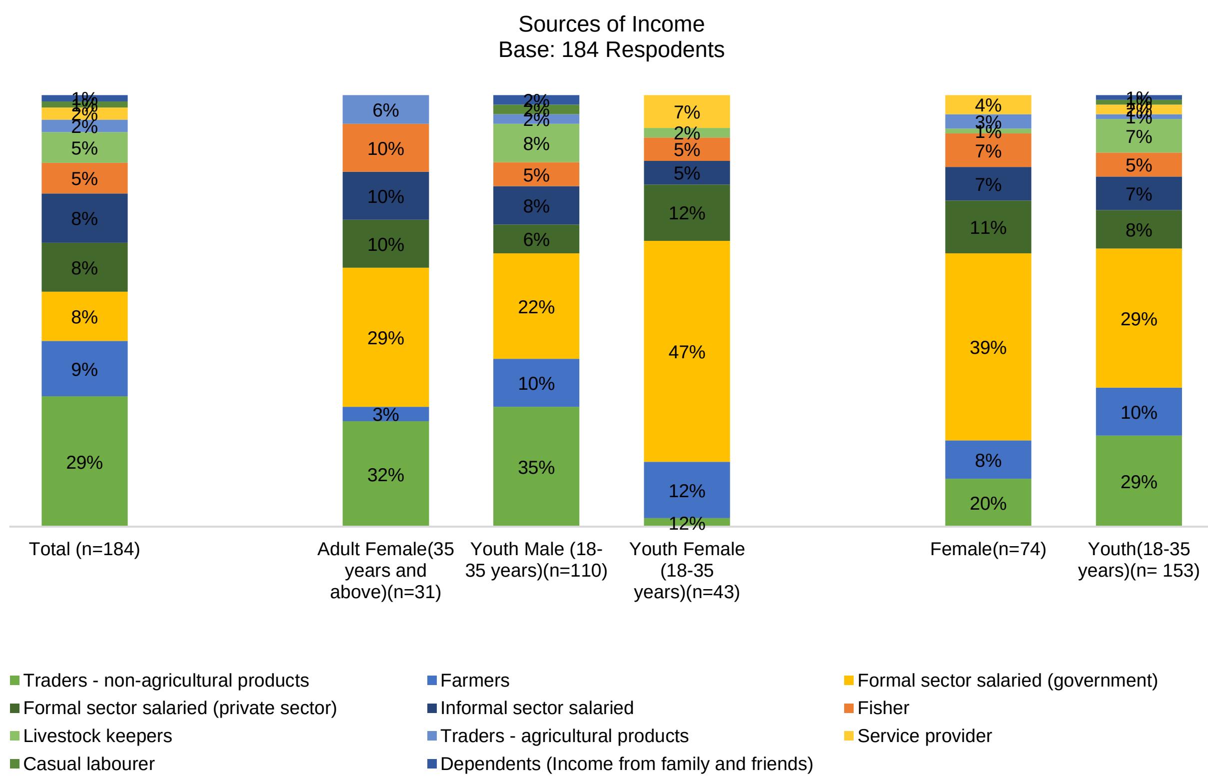



More than 8 out of 10 of the eligible target market segments are not aware of housing finance options available in Tanzania. For those aware, they mention family, friends, and TV programs as the main channels through which came across information on housing finance.

Interestingly, more than 90% of the eligible target segments whereby more than 94% of female youth and male youth and 93% of adult female mentioned a lack of information as the primary reason for their lack of knowledge on housing finance options in Tanzania. Nevertheless, it is encouraging to see that around 9 out of 10 of the segments which accounts to 92% of male youth, 87% of female youth and 89% of adult female of those who are not aware of housing finance solutions expressed an interest in gaining more information about housing finance options in the future.

On the other hand, when asked about the source of information they would prefer to receive information on housing finance options, almost half of the target segments would prefer receiving housing finance information through television/radio advertisements and the internet.

**FIGURE 30 SOURCES OF INCOME**




The study dived deeper to look at the sources of income of the respondents who are aware of the housing finance products. The study dived deeper to look at the sources of income of the respondents who are aware of the housing finance products. The findings reveal that most informed individuals about housing finance are traders, farmers, and formally employed respondents in the private and government sectors. This underscores their willingness to learn and explore potential avenues for financing their housing needs. By providing accessible and comprehensive information, financial institutions and policymakers can bridge the knowledge gap and effectively cater to the growing demand for housing finance in Tanzania. In the focus group discussion with women respondents, when asked about their awareness about housing finance options and their varying interest rates and payback conditions revealed that there is lack of awareness or knowledge regarding housing finance options and their interest rates and few participants demonstrated some awareness of banks offering housing finance but still lacked specific knowledge about their interest rates.

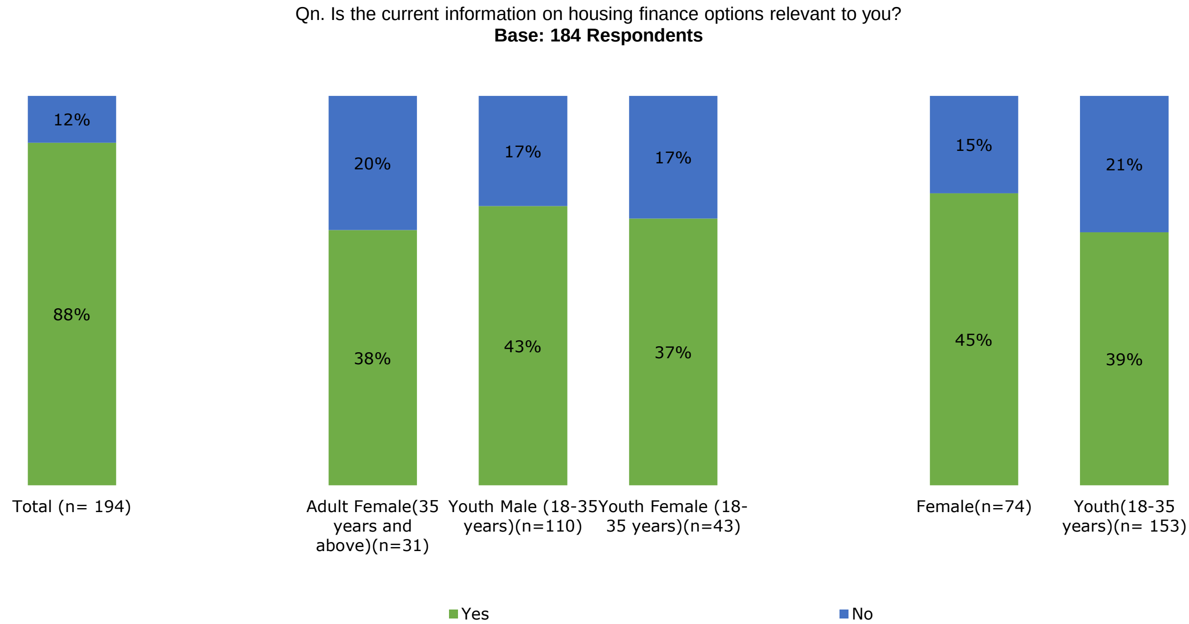
In regard to the youths, results revealed majority lacked of awareness or knowledge regarding housing finance options and their interest rates. Only a few youths demonstrated some awareness of different banks offering housing finance though not aware of their interest rate and payback conditions

Based on these findings, it is evident that there is a critical need to address the lack of awareness and knowledge among women and youth regarding housing finance options and their interest rates by prioritizing education.

Further, the survey was able to capture the level of awareness as per income activities of the respondents, the results revealed there is a larger of housing finance awareness that sits with the traders of non-agriculture products, followed by the farmers and the formal sector salaried of the government.

## Finding 20: Those aware of housing finance options in Tanzania find the information relevant to them

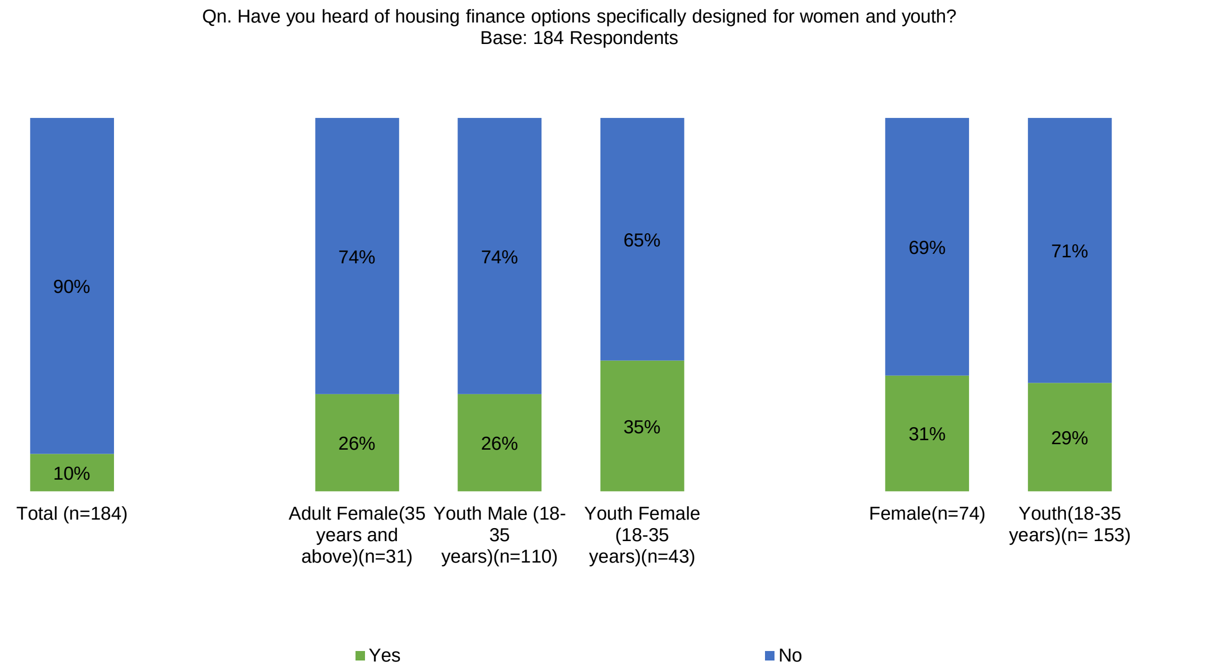
**FIGURE 31 RELEVANCE OF THE CURRENT INFORMATION ON HOUSING FINANCE**




The survey findings indicate that among those who are aware of housing finance options in Tanzania, a significant majority find the information relevant to them. This holds true across different segments. It underscores the potential impact and value that tailored housing finance options can provide in addressing the housing needs of individuals in Tanzania.

## Finding 21: 7 out of 10 of the eligible target market segments who are aware of housing finance solutions have not heard of housing finance options specifically designed for women and youth

FIGURE 32 HOUSING FINANCE OPTIONS DESIGNED FOR WOMEN AND YOUTH

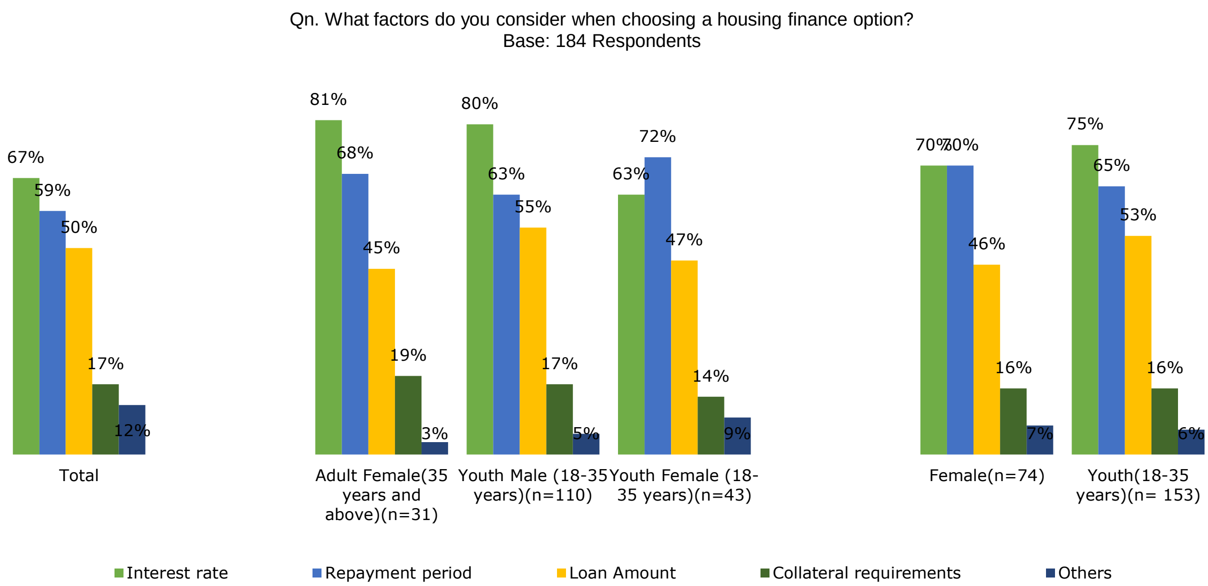



Among the eligible target market segments aware of housing finance solutions, a significant proportion are unfamiliar with solutions specifically designed for women and youth. Approximately 7 out of 10 respondents (74% of adult women, 74% of young men and 65% of young women) have not heard of such housing finance options.

This highlights the need for increased awareness and promotion of housing finance solutions that cater to the unique needs of women and youth in Tanzania of those aware of housing finance solutions for women and youth, a notable number have heard of the Makazi Bora Group Housing Finance Solution. Out of 52 respondents familiar with these solutions, 31 were aware of the Makazi Bora Group solution. This demonstrates the recognition and visibility of the Makazi Bora Group among the surveyed population. This underscores the importance of targeted initiatives and programs that address the specific needs and preferences of women and youth in the housing finance sector. By enhancing awareness and providing targeted information, financial institutions, and policymakers can better serve these segments and facilitate their access to suitable housing finance options.

## Finding 22: Interest rate, repayment period, and loan amount are the main drivers in the choice of the housing finance option

FIGURE 33 FACTORS TO CONSIDER CHOOSING A HOUSING FINANCE OPTION




When choosing a housing finance solution, the eligible target market segments who are aware of housing finance options prioritize factors such as interest rate, repayment period, and loan amount. These three elements play a crucial role in determining the suitability and affordability of a housing finance option for borrowers. By considering the interest rate, repayment period, and loan amount, individuals can make informed decisions that align with their financial capabilities and long-term goals. During the focus group discussions with both women and youth, participants were asked about the drivers that would influence their borrowing decisions.

The findings revealed common factors that were highlighted by both groups. Women participants emphasized that factors such as the loan amount and the interest rate offered would significantly influence their borrowing decisions. They also mentioned the need to complete their house as a crucial consideration. Additionally, the availability of low-interest rates was seen as an important factor for women when deciding to borrow.

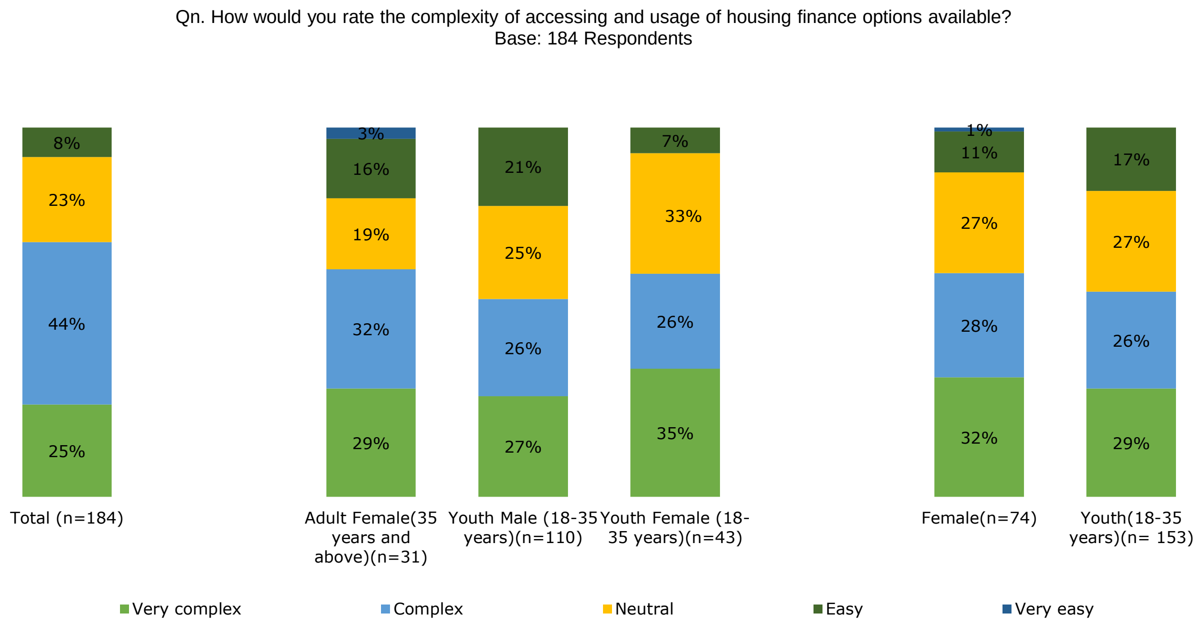
Similarly, youth participants identified favorable interest rates, good terms and conditions, and the amount of the loan offered as influential factors in their borrowing decisions. One youth participant specifically mentioned the importance of interest rates and good terms and conditions. *"Their interest rates and good terms and conditions"* **- Youth, Dar es salaam**.

These insights provide valuable information for financial institutions and policymakers to better understand the needs and preferences of women and youth in accessing housing finance. Tailoring loan offerings to address these factors can enhance their borrowing experiences and support their housing goals.

It is important for financial institutions and policymakers to take these factors into account when designing housing finance solutions, ensuring they meet the needs and preferences of borrowers in terms of affordability and flexibility.

## Finding 23: Only 7% of young women find it easy to access and use housing finance options

FIGURE 34 COMPLEXITY IN ACCESSING AND USAGE OF HOUSING FINANCE OPTIONS

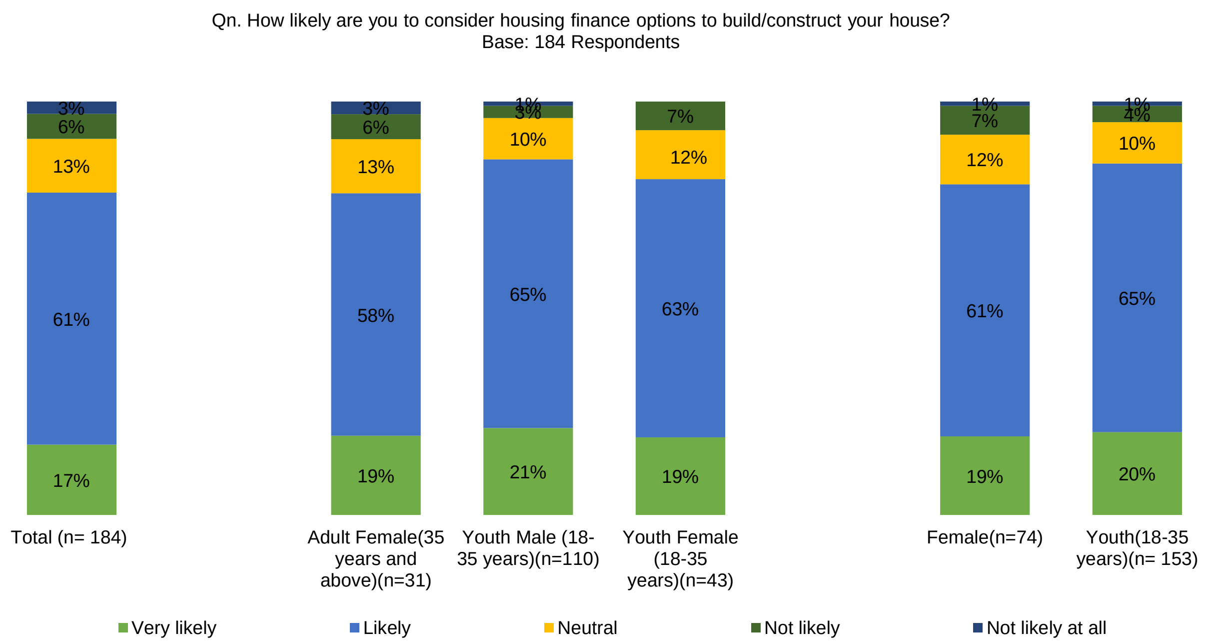



Among the target market segments who are aware of housing finance solutions, approximately 20% perceive the process of accessing and using housing finance options as complex. This indicates that there are perceived barriers or challenges in navigating the housing finance landscape.

Interestingly, male youth (21%) are more likely to find it easy to access and use housing finance options compared to their female counterparts. Only 7% of young women find it easy to access and use housing finance options. This disparity suggests a potential gender gap in terms of awareness, understanding, and support for accessing and utilizing housing finance solutions. Addressing the complexities and improving accessibility of housing finance options is essential to ensure that individuals, particularly young women, can confidently and effectively leverage these financial tools for their housing needs. Simplifying processes, enhancing financial literacy, and providing tailored support can empower individuals to make informed decisions and navigate the housing finance landscape with greater ease.

## Finding 24: More than 7 out of 10 of the target market segments who are aware of housing finance options are likely to consider housing finance options when constructing a house

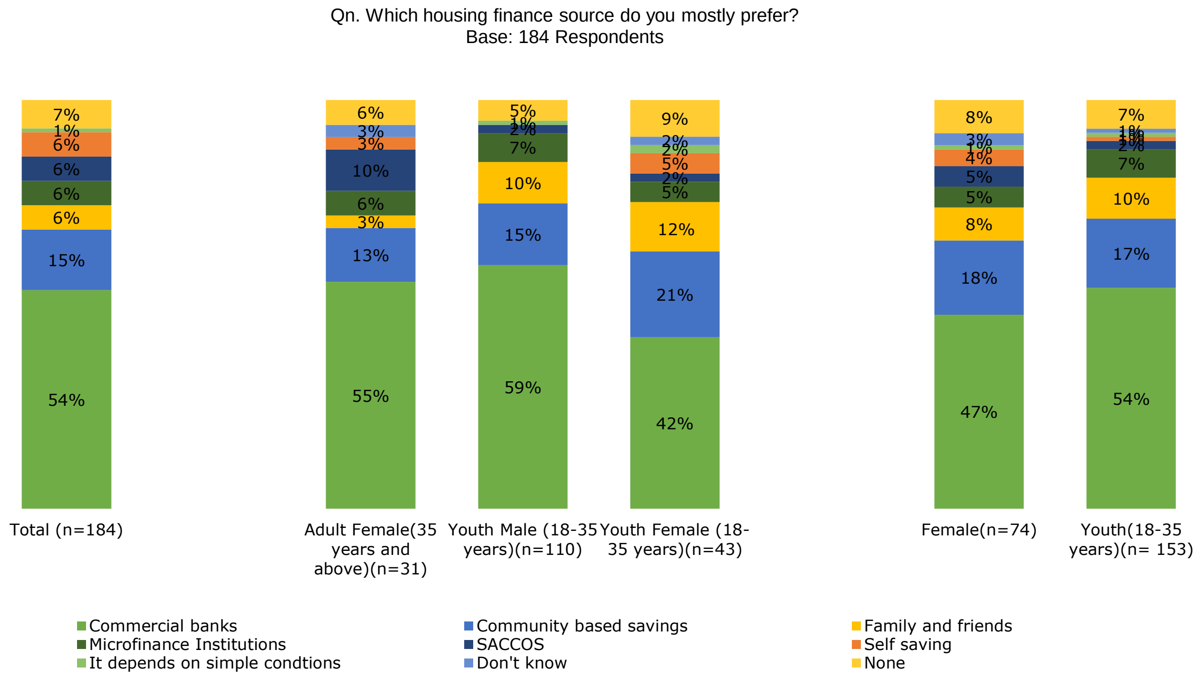
FIGURE 35 CONSIDERATION OF HOUSING FINANCE OPTIONS




More than 7 out of 10 target market segments who are aware of housing finance options express a likelihood to consider them when constructing a house. This includes 65% of youth, 19% of adult women, 65% of young men, and 63% of women. These findings highlight the strong interest in utilizing housing finance solutions for construction projects, emphasizing the need for accessible and tailored options that cater to diverse needs.

## Finding 25: Commercial Banks and community-based savings solutions are the most preferred housing finance providers for the eligible target segments

FIGURE 36 PREFERRED HOUSING FINANCE SOURCE

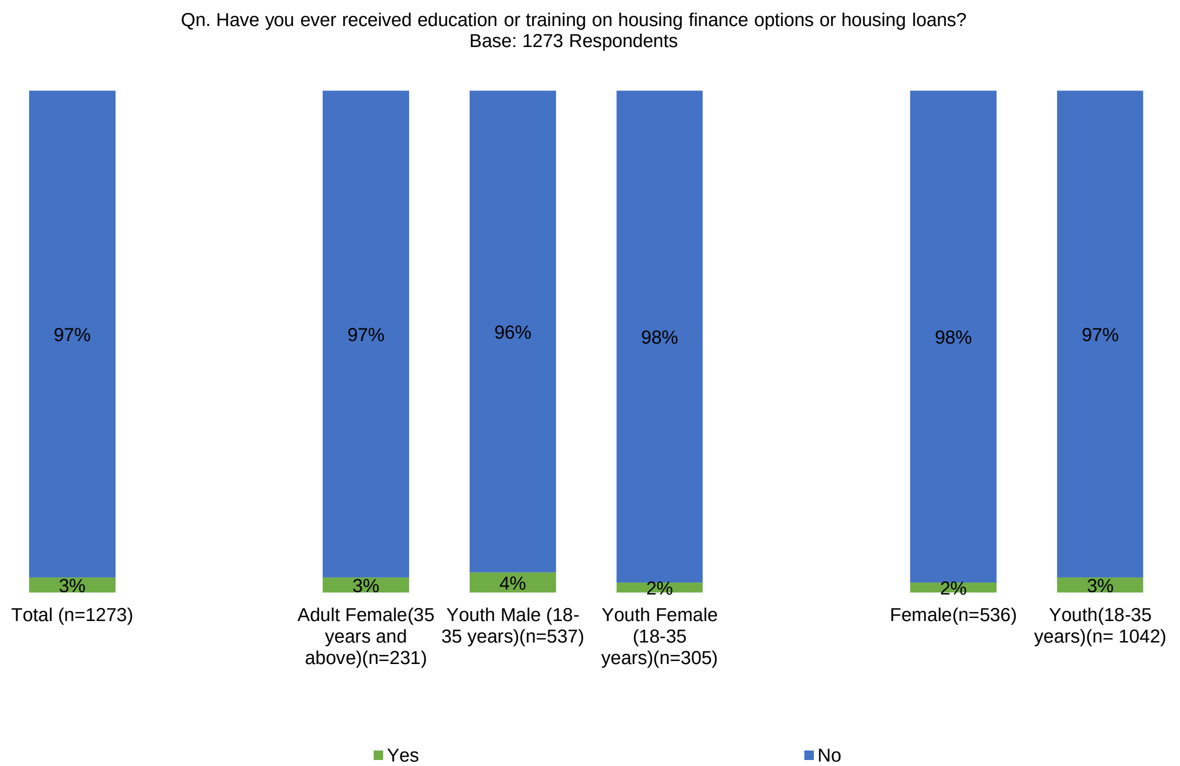



Among the eligible target market segments, commercial banks and community-based savings solutions stand out as the preferred housing finance providers. This preference is notable across various groups, with young male showing a higher preference for commercial banks (59%), while the majority of the youth (54%), adult women (55%), and women overall (47%) favor commercial banks for housing finance. The significance of security, trust, and simplicity as driving factors for choosing a housing finance source is evident. Individuals prioritize secure financial transactions, trustworthiness in the provider, and a simplified application and repayment process. By ensuring a secure and trusted environment and offering streamlined procedures, housing finance providers can effectively address the concerns of the target market segments and meet their diverse preferences.

This highlights the importance of offering a range of financing options through commercial banks and promoting community-based savings initiatives to cater to the specific needs and aspirations of individuals in their journey towards homeownership.

## Finding 26: Almost all the eligible target segments have not received education or training on housing finance options or housing loans

FIGURE 37 RESPONDENTS WHO HAVE RECEIVED TRAINING ON HOUSING FINANCE




The vast majority of eligible target segments have not received any education or training on housing finance options or housing loans. However, among the few who did receive such training, financial institutions and government agencies were the main sources. When it comes to the practical usage of the training to obtain housing finance solutions, the eligible target segments are divided in their opinions.

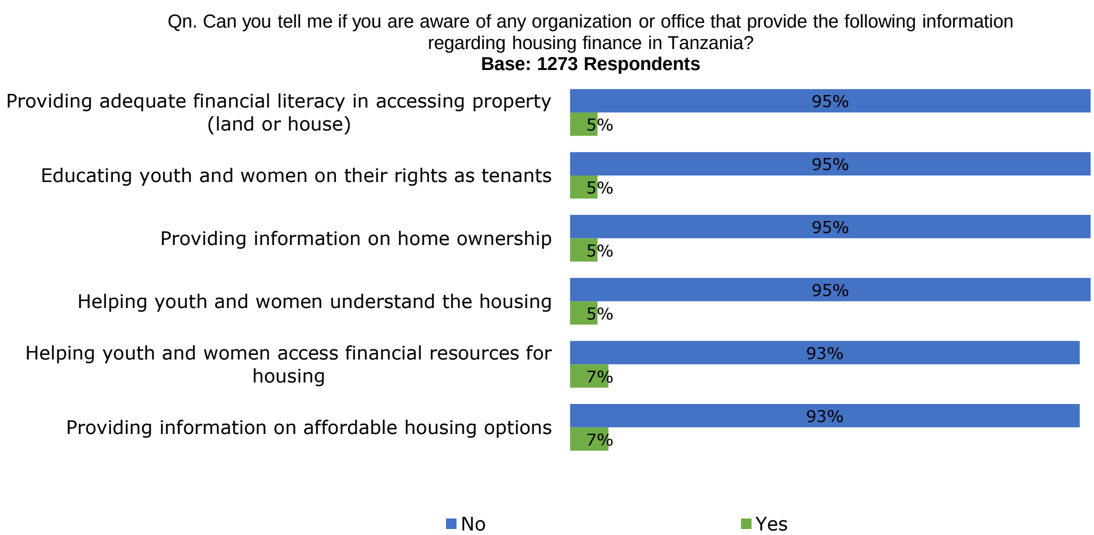
Among those who received training, the perception of understanding varies. For example, 43% of adult women who received training rated it as excellent, while 65% of young men considered it good, and 80% of young women rated it as neutral (Data not shown in chart). This indicates a mixed response regarding the effectiveness and usefulness of the training received. During the focus group discussion, women were asked about their prior experience with housing finance education or training. The responses revealed a common insight among the participants. The majority of women indicated that they have never received housing finance education or training. They expressed a lack of exposure to education or training programs specifically focused on housing finance. However, a very few women mentioned that they have received housing finance education or training.

Additionally, the majority of youths respondents stated that they have never received any housing finance education or training. This finding indicates a significant gap in knowledge and understanding of housing finance concepts among the youth. This highlights the need for initiatives aimed at providing education and training in housing finance to empower individuals with the necessary knowledge and skills to make informed decisions regarding housing finance options, by addressing this gap, individuals can better navigate the housing finance landscape and improve their financial decision-making abilities

These findings emphasize the need for increased education and training initiatives on housing finance options and loans to better equip eligible individuals, women and youth with the knowledge and skills necessary to navigate the housing finance landscape. By providing comprehensive and accessible education, financial institutions and government agencies can empower the eligible target segments to make informed decisions and effectively utilize housing finance solutions to meet their specific needs.

## Finding 27: Very few eligible women and youth are aware of institution they can receive information from on housing finance

FIGURE 38 AWARENESS ON THE ORGANIZATION OR OFFICE THAT PROVIDES INFORMATION REGARDING HOUSING FINANCE



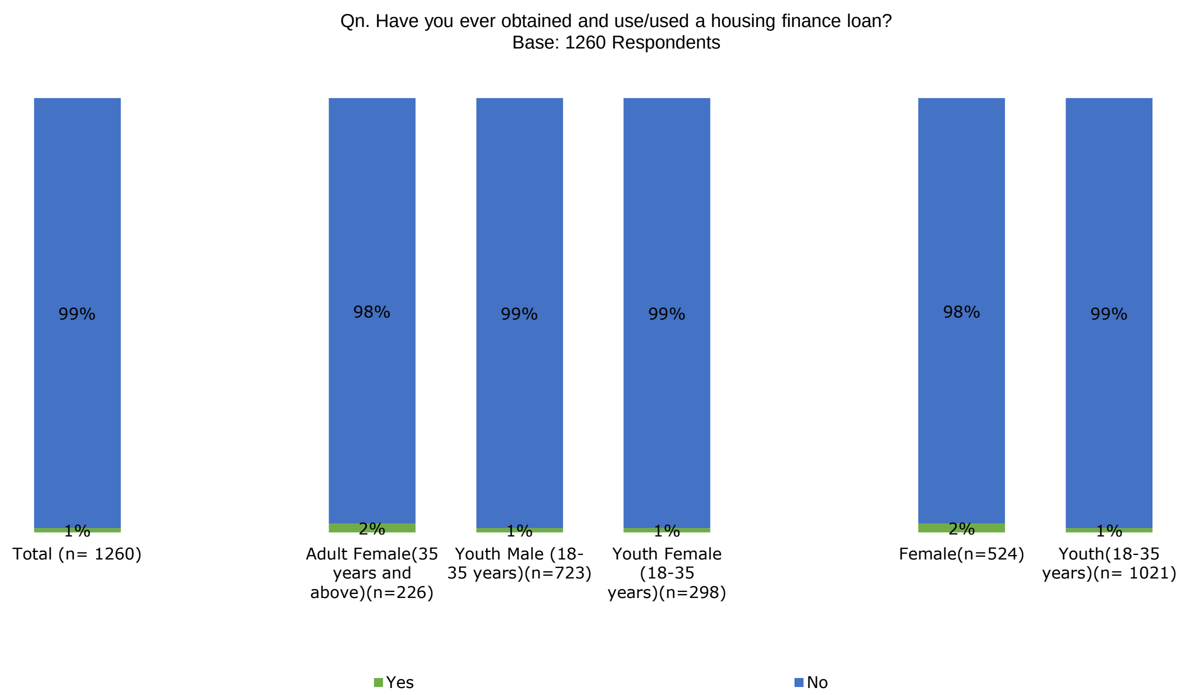

A majority of the eligible target segments have limited awareness of institutions that provide information on housing finance. However, there are some notable exceptions. Around 4 out of 10 adult women who are aware of organizations that provide information on affordable housing options mentioned going to Commercial Banks. In addition to that, 2 out of 10 of those that are aware of organizations that help youth and women access financial resources also mentioned Commercial Banks. Similarly, 21% of both youth and women are aware of organizations that focus on helping youth and women understand housing mentioned Makazi Bora Finance Limited.

When asked about organization that provides information on home ownership, those that are aware mentioned that they could go to Commercial Banks. Furthermore, 31% of male youth and 29% of youths overall are aware of the Government as an organization that offers information on tenants' rights and financial literacy in accessing property. These findings suggest that efforts should be made to increase awareness among the target market segments regarding the institutions that can provide valuable information and support for housing finance.

## D. Usage of Housing Finance Solutions

### Finding 28: Uptake of housing finance is negligible among the eligible target segment

FIGURE 39 RESPONDENTS WHO HAVE OBTAINED AND USE/USED A HOUSING FINANCE LOAN



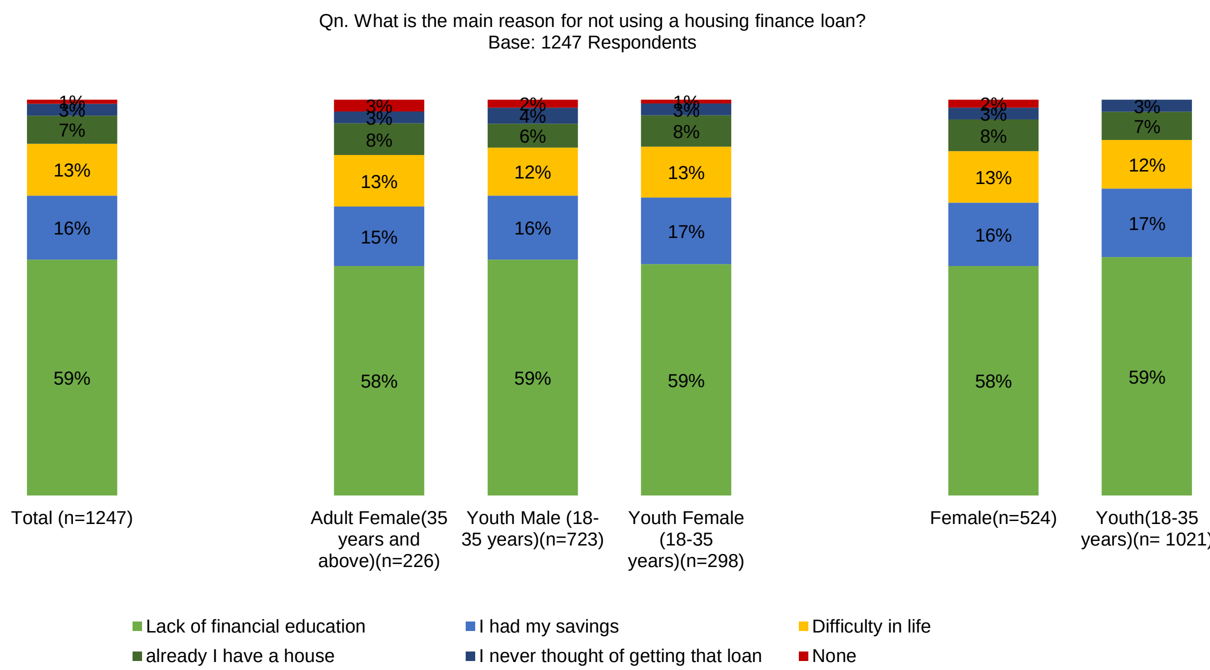

Only a small fraction of the eligible target segments has taken up housing finance options, with just 13 out of the 1273 respondents (1%) confirming they have obtained a housing finance option. Among those who have taken up housing finance solutions, the majority obtained them from family and friends. Interestingly, 6 out of 8 youth who have obtained a housing loan considered low interest rates to be the most important factor when obtaining a housing loan. The use cases for the housing loans taken were varied and included purchasing of land, construction of houses, and renovation of existing homes. Current users of housing finance options faced challenges with high-interest rates.

## Finding 29: 0.5% of the target market segments reported that the housing finance solution they opted for met their needs

Out of the 13 respondents who took up housing finance options, 6 respondents out of 1273 respondents which is equivalents to 0.5% reported that the chosen housing finance solution met their needs. Furthermore, 10 out of the 13 respondents had a repayment period of less than 3 years for their housing finance loans. However, 3 of the 13 respondents faced challenges during the repayment period. Specifically, 2 out of 3 adult women who took up the loan mentioned that they had insufficient income to cover expenses during the repayment process. These findings highlight the importance of considering factors such as affordability and income stability when offering housing finance solutions to ensure a successful repayment experience for borrowers. In addition, financing models should be changed from a direct bank to consumer to bank- developer- consumer models of credit.

## Finding 30: The main barrier to taking up housing finance loans is lack of financial education

FIGURE 40 REASONS FOR NOT USING HOUSING FINANCE LOAN



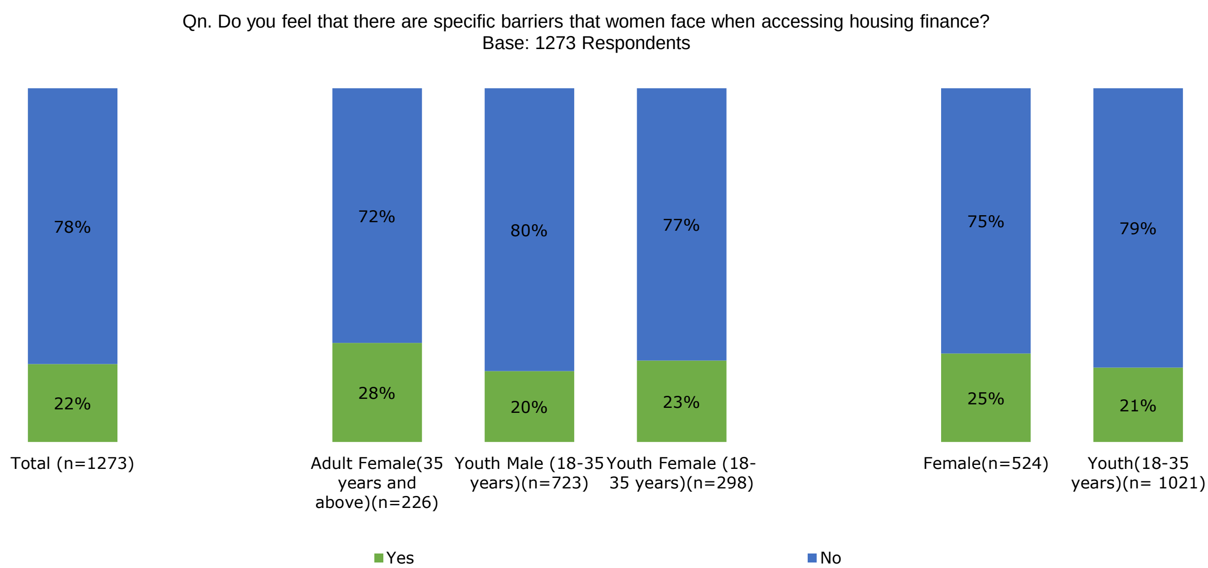

The main barriers identified among the eligible target market segments in taking up housing finance loans are lack of financial education, dependency on personal savings, and various life difficulties. These factors contribute to hesitancy in accessing housing finance options. During the Focus group discussion with women respondents, when asked about the reasons for not using housing loans, the women expressed concerns related to fear of losing their property in case of loan default and self-doubt regarding their capability to repay the loan. These insights underscore the importance of addressing fears, providing financial education, and fostering confidence among women to encourage their participation in housing loan programs. "*What we fear most is when you fail to pay the debt, they will come and take the house or any other property you own"*- **Woman Zanzibar**

Furthermore, the youths responded that lack of education and knowledge about housing finance emerged as a prominent barrier, emphasizing the importance of providing comprehensive information and resources to improve financial literacy among young individuals. Also, the fear of losing property due to loan default was a significant concern, highlighting the need for addressing misconceptions and providing reassurance regarding loan repayment. "*I don't have enough education about it* "- **Youth Dar es Salaam**

However, despite these barriers, nearly half of the eligible target segments express an interest in considering housing finance loans in the future.

## Finding 31: Around 2 out of 10 of the eligible target segments feel that there are barriers for women in accessing housing finances

**FIGURE 41 RESPONDENTS FEELING THAT THEY ARE SOME BARRIERS WOMEN FACE IN ACCESSING HOUSING FINANCE**



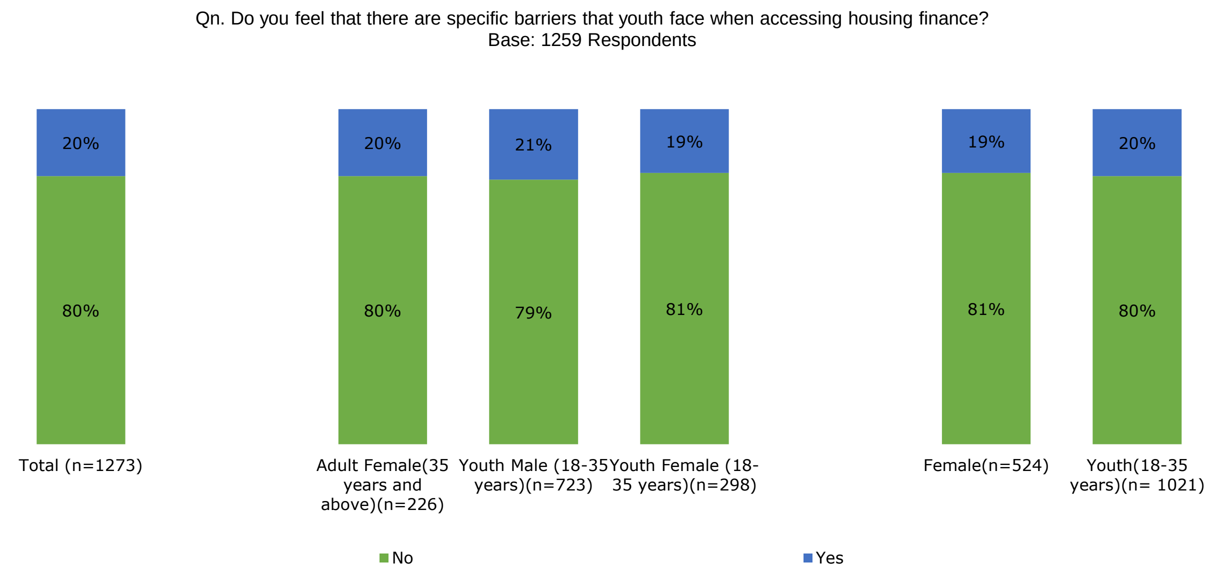

Approximately 20% of the eligible target market segments perceive barriers for women in accessing housing finance. Among these segments, adult women were more likely to identify specific barriers for women in accessing housing finance. The leading barriers mentioned by these individuals include a lack of information, long administrative/organizational processes, and a sense of disconnection from financial institutions.

In light of these barriers, the eligible target segments emphasize the importance of awareness and education as key factors in addressing the challenges faced by women in accessing housing finance. The focus group discussion with women revealed several key insights regarding the challenges they face when attempting to access housing finance. Participants emphasized the lack of education on housing finance, high interest rates, and unfavorable loan terms and conditions. Notably, the absence of asset ownership among women was identified as a significant obstacle. Lack of information and education about housing finance, coupled with a lack of confidence among some women, further hindered their access. Additionally, participants expressed a need for more information about where to access housing finance and highlighted a general lack of awareness regarding the importance of homeownership. *"Other challenges are lack of information and education about housing finance*" - **Woman, Zanzibar**.

By increasing awareness about available housing finance options and providing targeted education on the application process and requirements, barriers can be reduced and women can be empowered to pursue housing finance solutions. This highlights the need for collaborative efforts between financial institutions, policymakers, and community organizations to create supportive environments that facilitate women's access to housing finance. By addressing these barriers and promoting gender-inclusive financial services, more women will have the opportunity to achieve their housing aspirations and contribute to sustainable development.

## Finding 32: Around 2 out of 10 of the target segments feel that there are barriers that the youth face accessing housing finance

FIGURE 42 RESPONDENTS FEELING THAT THEY ARE SOME BARRIERS YOUTH FACE IN ACCESSING HOUSING FINANCE

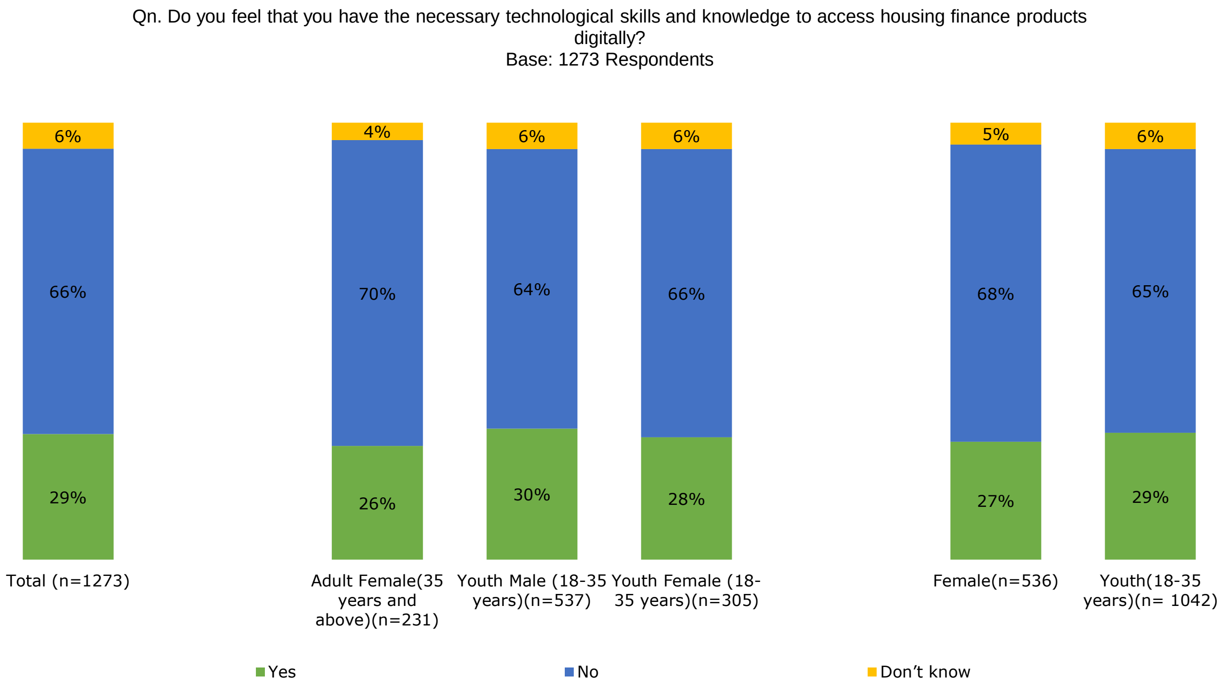



Around 20% of the target segments perceive barriers for the youth in accessing housing finance, like women. These barriers include a lack of information, bureaucratic processes and a sense of disconnection from financial institutions, The focus group discussion with youth shed light on the challenges they face when attempting to access housing finance. Participants highlighted the difficulty of gaining trust from lenders, who often hold a negative perception that they will not repay the loan. High interest rates emerged as a significant obstacle in their pursuit of housing finance. Lack of information about housing finance was identified as a barrier, emphasizing the need for improved accessibility to relevant resources.

Overall, participants expressed a sense of mistrust towards youth, making it harder for them to secure loans easily. Thus, to overcome the trust issues highlighted by participants, financial institutions should focus on building trust and confidence among youth. This can be achieved through transparent and fair lending practices, establishing support systems, and offering financial literacy programs specifically tailored to their needs. "It's difficult to be trusted; they think you will not return the loan." Youth, Dar es Salaam.To address these barriers, education, reduction in bureaucracy, and improved connections with financial institutions are considered crucial drivers for youth adoption of housing finance. By providing comprehensive information, simplifying processes, and fostering partnerships, these barriers can be overcome, empowering the youth to make informed decisions and access housing finance opportunities.

## Finding 33: Only around 3 out of 10 of the segments mention having the technological skills to access housing finance products digitally

FIGURE 43 RESPONDENTS FEELING THEY POSSESS SKILLS AND KNOWLEDGE TO ACCESS HOUSING FINANCE PRODUCTS DIGITALLY




Only about 3 out of 10 eligible target segments reported having the necessary technological skills to access housing finance products digitally. However, among those who mentioned having these skills, more than 6 out of 10 stated that they can use mobile phone services for housing finance purposes. In the focus group discussion, participants, both women and youth, were asked about their awareness of technology or digital tools to connect to housing finance services. The findings revealed that the majority of participants from both groups expressed a lack of awareness. Women participants specifically mentioned not being aware of any technology or digital tools, although one participant indicated knowledge of a website related to housing finance. Similarly, the majority of youth participants also reported a lack of awareness regarding such technology or tools.

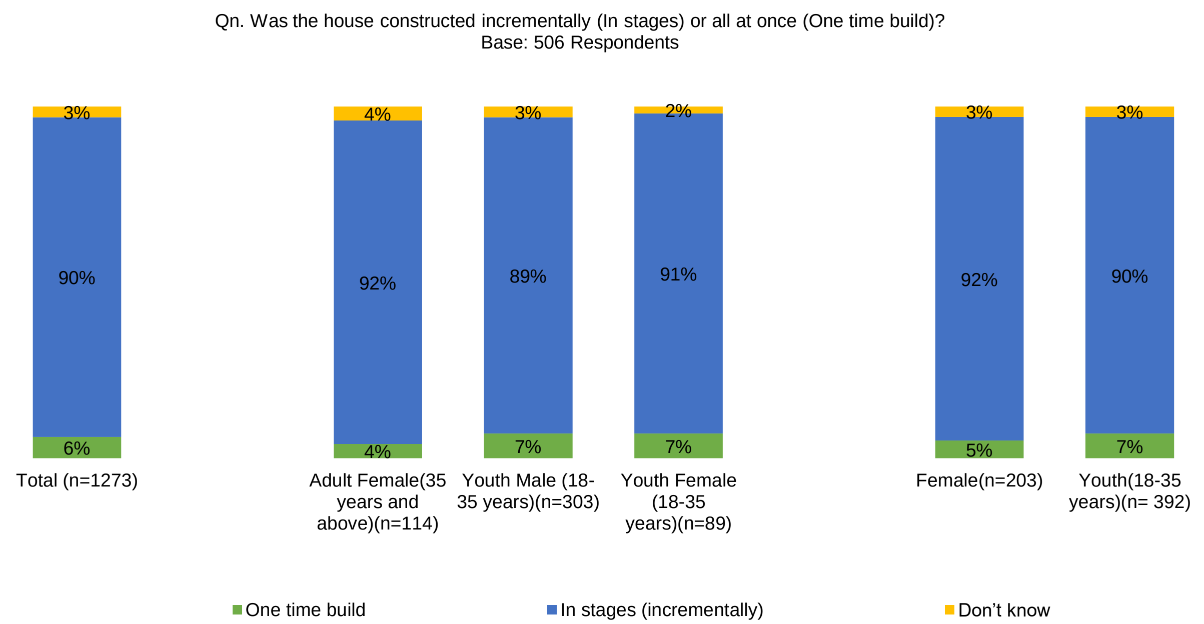
To address the lack of awareness among women and youth regarding technology or digital tools for connecting to housing finance services, targeted awareness campaigns, educational programs and user-friendly platforms that provide accessible information and resources should be developed. By actively promoting and facilitating the use of technology in accessing housing finance, women and youth will be empowered to navigate the process more effectively and increase their opportunities for housing finance access.

This indicates that mobile phone services have the potential to bridge the digital divide and facilitate access to housing finance for a significant portion of the eligible target market segments. It highlights the importance of leveraging mobile technology to enhance financial inclusion and provide convenient and accessible solutions for housing finance.

## E. Market Readiness

### Finding 34: Around 9 in 10 target market homeowners confirm they build houses incrementally

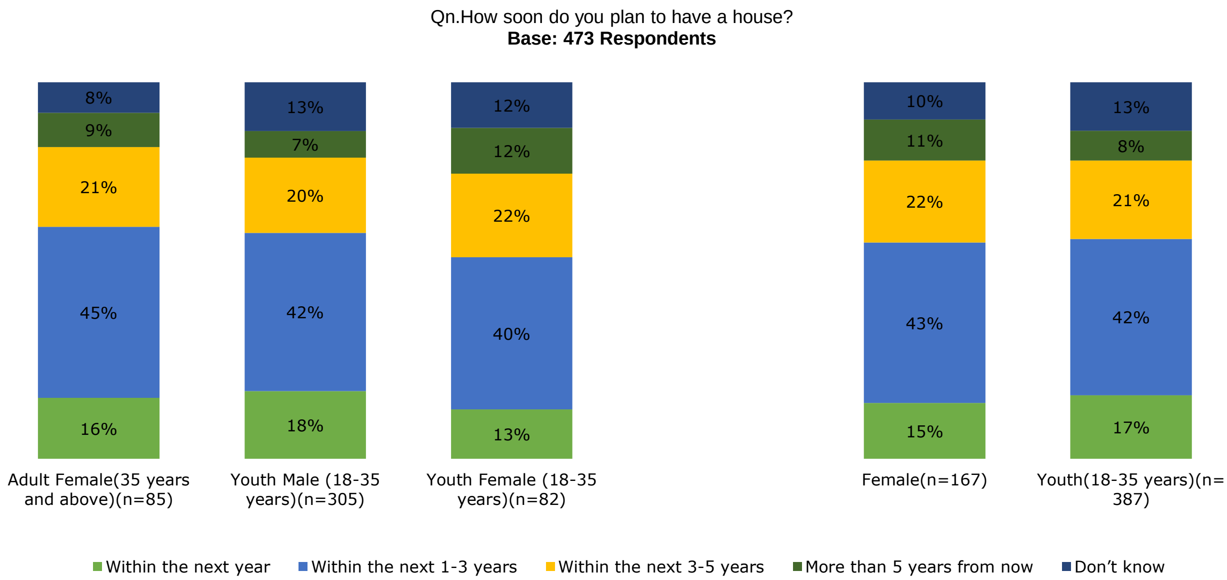
FIGURE 44 RESPONDENTS WHO CONSTRUCTED THEIR HOUSE IN STAGES AND ONE TIME BUILT




Moreover, over 9 out of 10 respondents within the target market segments chose to build their homes incrementally rather than completing the construction all at once. This indicates a preference and necessity due to the fact that they are using personal savings for gradual and phased construction, potentially driven by financial considerations and the ability to adapt to evolving needs and resources. The findings highlight the importance of flexible and adaptable housing finance solutions that can support incremental construction and accommodate the financial capabilities of individuals within the surveyed population.

## Finding 35: More than 6 out of 10 of the market would like to own a house in the next 1 to 5 years

FIGURE 45 RESPONDENTS WHO PLAN TO HAVE A HOUSE



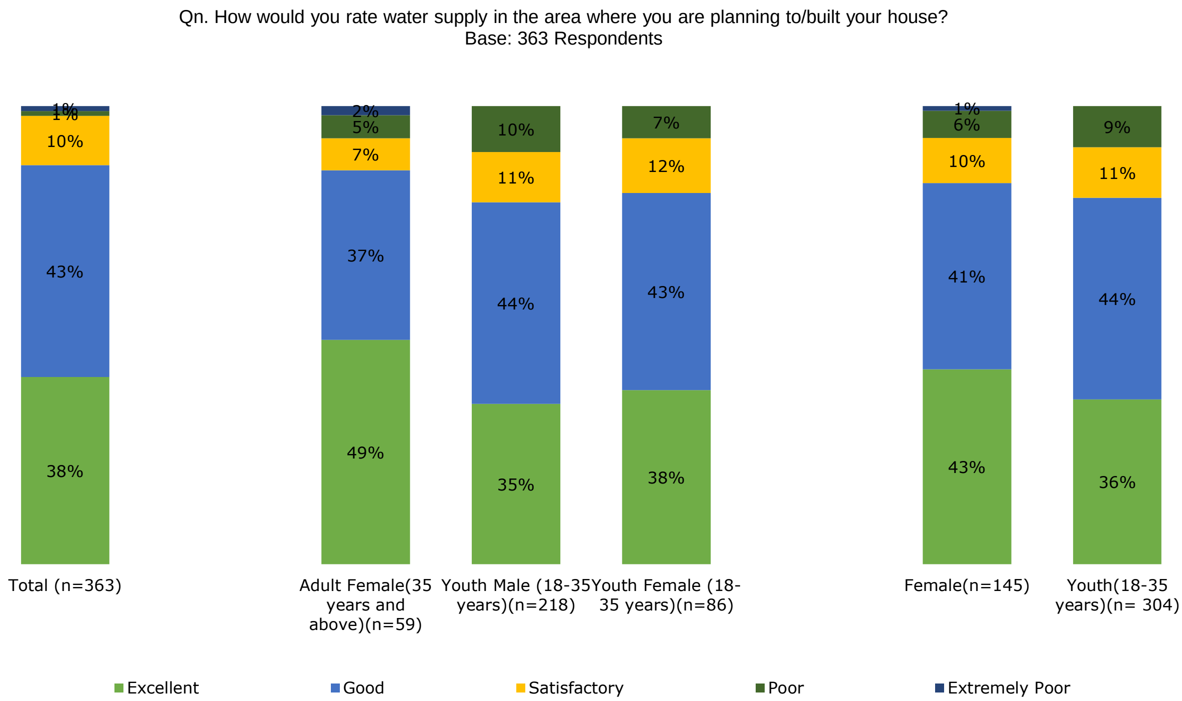

The survey results highlight a strong desire for homeownership among eligible women and youth in the lower middle-income and middle-income brackets. Approximately 9 out of 10 respondents from each segment expressed their aspiration to own a home, emphasizing its significance as a goal. Financial constraints were the main reason for those who did not aspire to own a home within the eligible target market segments.

In terms of timelines, the majority of respondents indicated their intention to build a house within the next 1 to 3 years, demonstrating the immediate housing needs within the surveyed population. Another notable group expressed their plans to build a house within the next 3 to 5 years. Furthermore, around 8 in 10 market segments plan to finance their house construction using personal savings. Specifically, 81% of young men and 79% of women within these segments intend to utilize personal savings, highlighting the fact that people are not aware of the housing finance options. Further this entails that the products available that people might be aware of are not addressable and unsuitable for the low-income women and youth in Tanzania.

Additionally, the survey revealed that a significant majority of target market segments planning to build a home prefer an incremental house building plan. These findings underscore the substantial demand for accessible and affordable housing finance solutions among eligible women and youth in the specified income brackets. Addressing this demand can lead to improved housing conditions, economic stability, and overall well-being. Promoting savings mobilization and providing tailored housing finance options are crucial in empowering individuals to achieve their homeownership goals and enhance their financial security.

## Finding 36: Access to water in the areas where target segments plan to build houses is either good or excellent

FIGURE 46 ACCESS TO WATER IN THE AREAS WHERE TARGET SEGMENTS PLAN TO BUILD HOUSES

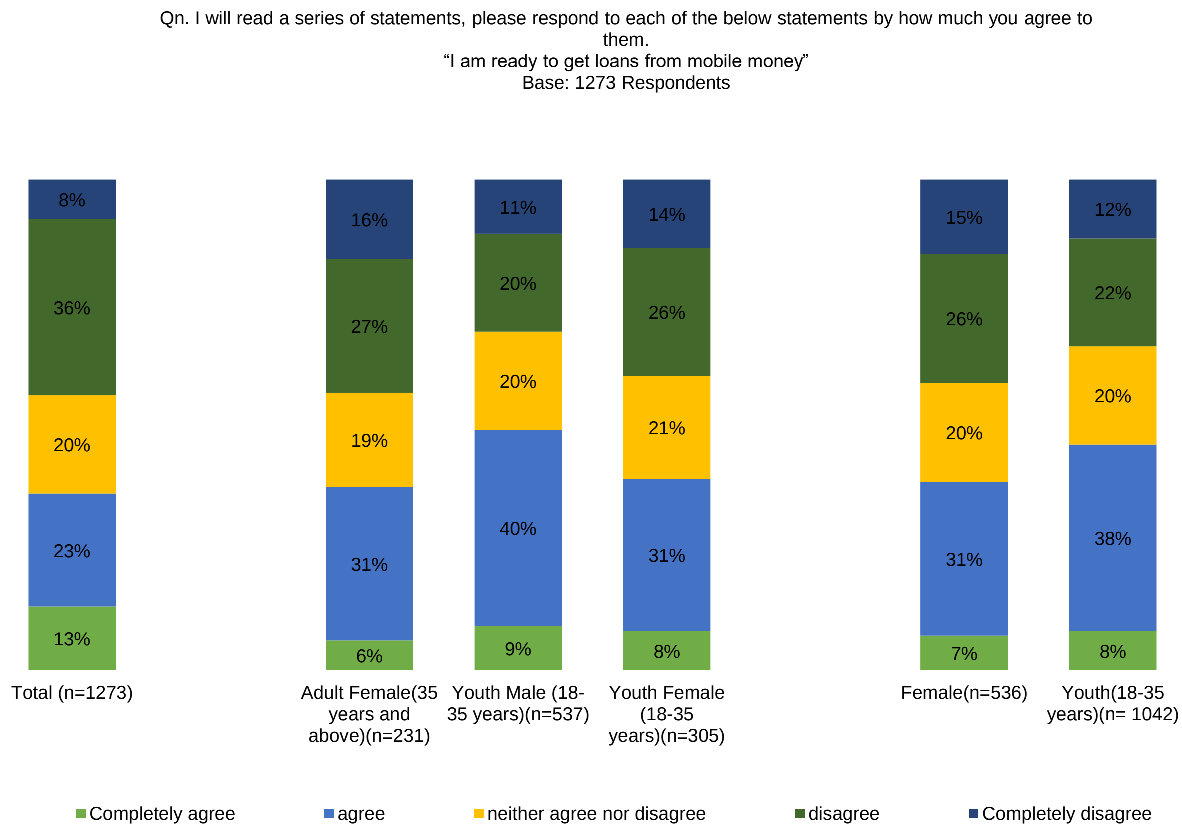



The areas where the target market segments plan to build houses generally have good or excellent access to basic amenities. Access to water, sanitation services, and electricity in these areas is reported to be either good or excellent. This is positive news for the potential homeowners, as access to these essential services is crucial for a comfortable and sustainable living environment. It provides a favorable foundation for the development of housing projects and supports the overall quality of life for the eligible target market segments.

## Finding 37: Few in the target segments have inquired about the cost of obtaining building materials

Limited inquiries about the cost of obtaining building materials have been observed among the eligible target segments. The primary reason cited for the delay in starting construction is the high cost associated with building a house. Opinions within the eligible target market segments vary regarding their willingness to start building if they had access to installment-based loans, with approximately 4 out of 10 respondents across all market segments either completely agreeing or agreeing with this possibility.

FIGURE 47 RESPONDENTS WHO ARE READY TO GET LOANS FROM MOBILE MONEY

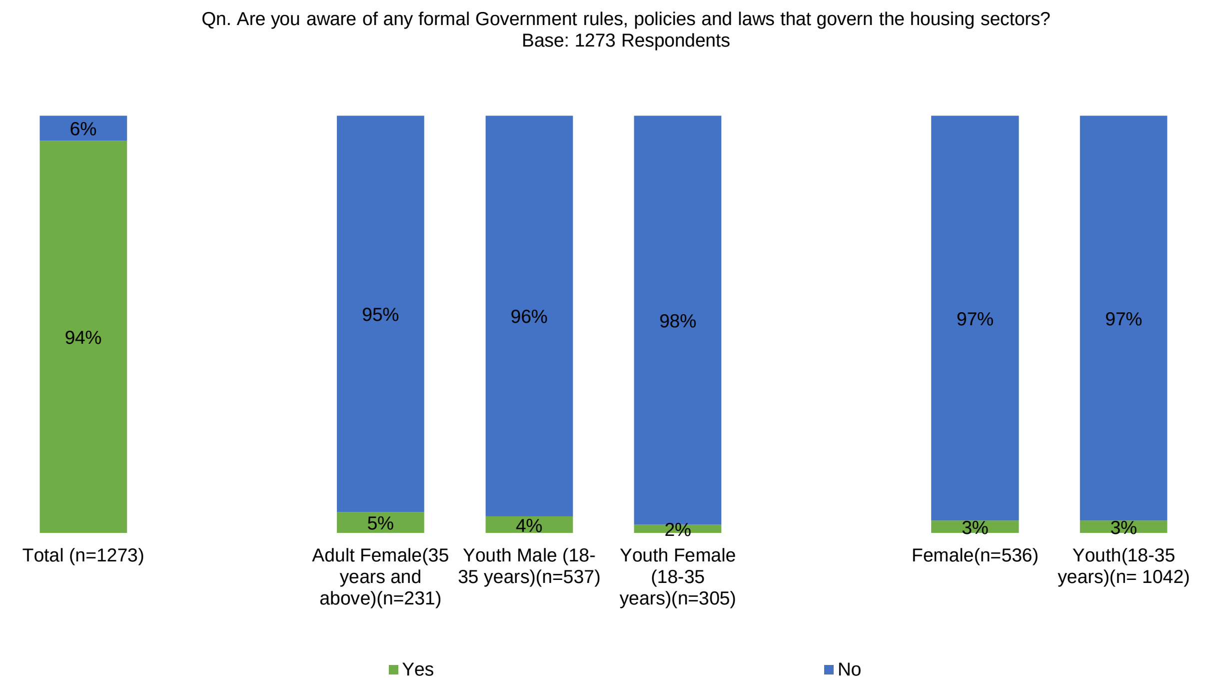



On the other hand, opinions are mixed when it comes to taking up loans through mobile money. About 4 out of 10 respondents completely agree or agree that they are ready to obtain loans through mobile money. Regarding pay-as-you-go financing models for connecting houses to electricity and water, nearly half of the target segments express their willingness to embrace such financing options.

However, the willingness to take up loans for completed houses and repay them over a 10–15-year period is relatively low, with only around 2 out of 10 respondents showing interest in this option. Similarly, the willingness to take a cash loan and repay it over the same time frame is also low, with less than 2 out of 10 respondents expressing their readiness for such loans. These findings underscore the complex dynamics and preferences of the eligible target market segments in relation to financing their housing projects. The cost of construction, availability of installment-based loans, options for mobile money loans, and pay-as-you-go models all play significant roles in shaping their decisions and willingness to pursue homeownership.

## Finding 38: Very few of the eligible target segments are aware of any formal rule that governs the housing sector

FIGURE 48 RESPONDENTS AWARE OF FORMAL GOVERNMENT RULES, POLICIES AND LAWS THAT GOVERN THE HOUSING SECTORS




A significant number of the eligible target segments (above 95%) have limited awareness of formal rules governing the housing sector. Among those who are aware of such regulations, the majority mentioned being familiar with house rent payment modalities. However, when it comes to the influence of housing laws on housing finance, the responses from the few respondents who were aware of the rules and regulations varied greatly. This suggests that there may be low levels of knowledge regarding housing and housing finance laws among the target market segments.

Similarly, awareness of informal rules governing housing finance is also low among the eligible target segments. Very few respondents mentioned being aware of any informal rules in this regard.

Furthermore, less than 2 out of 10 respondents indicated that they could be influenced in their decision to take up a housing loan. The main influence in taking up a housing loan was primarily attributed to a spouse or parent. Considering the low levels of knowledge and limited attempts to secure housing finance options, age and gender were not frequently mentioned as significant barriers by the eligible target segments.

## 4.2 Supply of Housing Finance for Women and Youth

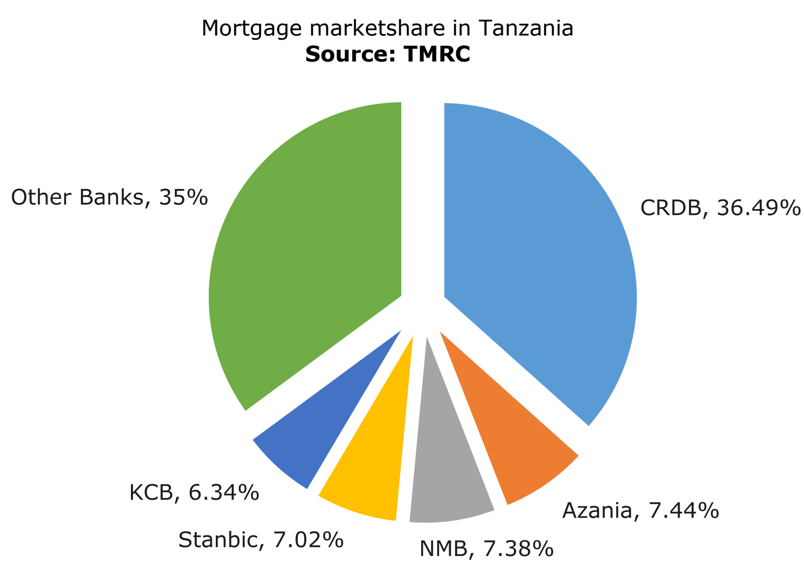
### 4.2.1 Mapping the players offering Housing Finance solutions in Tanzania

Tanzania's housing market has been struggling to bear a population of over 60 million people, and the demand for affordable housing continues to increase. The Tanzanian government and several private organizations have been working towards providing affordable housing finance to citizens, and this has led to the emergence of several key players in the housing finance sector. To date, the Tanzanian housing market has a wide range of housing finance options deployed by different market players including financial products and services not limited to Housing purchases (Mortgage loans), Refinance, Semi finish loans, Construction, and Renovation loans but housing finance product that has dominated the market is mortgage loans.

According to Tanzania Mortgage Refinance Company Limited (TMRC) quarterly report it highlights that 31 different banking institutions were offering mortgage loans as of December 2022. That said the Tanzania Financial Sector seems to lean more towards Mortgages, is it because the target consumers with Mortgage products is less risky. Further, the report explains that the mortgage market is dominated by five top lenders, who commanded 65 percent of the market. CRDB Bank Plc was a market leader commanding 36.49% of the mortgage market share, followed by Azania Bank (7.44%), and NMB Bank Plc. (7.38%), Stanbic Bank (7.02%) and KCB Bank (6.34%), while 35% were taken by 26 banks. It is noted that all mentioned 31 banks, do not have housing finance products aimed at youth intentional.

TMRC serves as a secure source of long-term funding at attractive rates while ensuring sound lending habits among banks. This helps in reducing any maturity mismatch risk for banks and increase available loan terms. This in turn helps improve the affordability of mortgages and extends the range of qualifying borrowers, resulting in the expansion of the primary mortgage market and thus home ownership in the country.

FIGURE 49 TANZANIA MORTGAGE MARKET SHARE



Additionally, the study found out that the major housing suppliers of Tanzania, include the National Housing Corporation which has completed more than 10 residential housing schemes and has more than 5 housing schemes on the loop and 3 upcoming housing schemes.

NHC may struggle to secure enough funding to meet the increasing demand for affordable housing, especially as the population grows, land acquisition and facing bureaucratic procedures and slow decision-making can negatively impact the speed and efficiency of housing development projects.

On the other hand, Watumishi Housing Investments (WHI) is a house developer and a licensed fund manager responsible for the establishment and management of collective investment schemes and has 2 completed housing schemes and 5 ongoing housing schemes. Nonetheless, there are few emerging privately owned companies providing housing schemes such as CPS (Fumba Town) and Palm Village, yet NHC remains to be the largest provider of housing services in East and Central Africa.

### 4.2.2 Housing solutions currently available for women and youth

In Tanzania, housing finance providers are institutions that provide various forms of financial assistance to individuals and organizations in need of housing-related issues like refinance, purchase, construction, finishing, and renovation. These providers range from banks, microfinance institutions, and cooperatives to government institutions such as the TMRC. The housing financing in Tanzania is channeled specifically to women and youth is very limited. Apart from Makazi Bora Finance Limited, the study has not found a dedicated player that is on the ground striving to meet the housing needs of the women and youth in Tanzania.

**Below is the product description of Makazi Bora which is the only Housing solutions currently available in the market for women and youth in Tanzania;**

TABLE 3 MAKAZI BORA PRODUCT LOAN DESCRIPTION

| | |
|---|---|
| **Loan purpose** | Enable women and youth of low-income families to access decent and affordable housing. |
| **Key users** | These are loans meant for supporting customers who are either doing small businesses but are unable to get loans due to lack of physical assets that can be pledged as collateral.<br>Individuals shall form their respective groups basing on how they know one another, without interference of MBFL staff. MBFL will only facilitate group formation.<br>Youth and women |
| **Delivery Methodology** | Group of 5-10 members.<br>Group to meet at a venue of their own choice and easily accessible by MBFL staff by use of public means. |
| **Loan Size** | From TZS 300,000 up to TZS.2 million maximum.<br>Customers requesting loans above TZS. 2 million shall be graduated to individual lending |
| **Loan term** | 3 months to 6 months |
| **Product Pricing** | Application fee of TZS 30,000/=<br>Interest rate is 3.5% per month calculated on reducing balance.<br>Processing fee of 2% of approved loan amount<br>Loan Insurance of 1% of approved loan amount |

### 4.2.3 Market Insights on the Supply of housing finance for women and youth in Tanzania

To get a deeper understanding of the housing finance market for women and youth, the study engaged a wide range of expert in the housing sector, financial sector and beyond. In line with the key informant interviews held with the expert, below is a series of facts based on the opinion of experts to expound on the supply of housing finance solutions with an interest on women and youths.

### Finding 1: The housing sector in Tanzania faces an annual shortage of over 180,000 units, with actual supply below 20,000 units, mainly due to the lack of supply from developers

When asked the key stakeholders about the state of housing finance in Tanzania, the majority emphasized there is an urgent need for increased investment and support in the housing sector. Further, they said the main challenge in the housing finance sector in Tanzania is the lack of supply from developers, resulting in an annual shortage of over 180,000 units, with an actual supply below 20,000 units. In addition, the government's introduction of 10% tax on housing properties to the landlords also makes properties more expensive and inaccessible, instead of making them more accessible. Key stakeholders also highlighted that SACCOS and Islamic banks have good models for financing housing and could make housing affordable, but the sector is dominated by government developers. Financial institutions face challenges in matching the demand for housing with the cost of funding and mobilizing deposits.

*"Shortage is very high, we have a shortage of over 3 million, with annual demand of around 180,000 units but actual supply from the developer's side is below 20,000 units."* – **Financial Service Provider, Bank**

### Finding 2: Affordability is a critical factor affecting the appetite for housing finance solutions in Tanzania.

When we asked the stakeholders how to increase their appetite for housing finance solutions, the key stakeholders state that many Tanzanians struggle to afford decent housing due to a variety of factors, including low incomes, high housing costs, and limited access to credit. The stakeholders highlighted that as a result, the demand for affordable housing finance solutions is quite high in the country. They also touched that, there is a lack of affordable financing options as many Tanzanians are unable to access the necessary capital to purchase or construct a home, hence this creates a significant barrier to homeownership and can lead to overcrowding, poor living conditions, and a host of other negative consequences such as emergencies in slum communities hence there is a need for affordability by addressing the mortgage process, conducting market studies, segmenting the market, and exploring cost-effective funding. The majority concluded that it's critical to create an enabling environment for loans and make them more accessible based on people's incomes, as well as address affordability concerns to cater to diverse households.

*"The question of affordability has also been something which is still yet to be addressed"*- **Financial Service Provider, Bank**

## Finding 3: Providing incentives can encourage the supply side to prioritize housing finance in Tanzania

When imposing a question to seek in-depth understanding from key stakeholders on the feature to be created during the design of housing finance products in Tanzania, the stakeholders highlighted that it is key to understand that incentives can take many forms such as tax breaks, subsidies, and other financial incentives that make it more attractive for lenders and other financial institutions to invest in housing finance. The stakeholders rose the idea that by providing these incentives, the government and other stakeholders can help to create a more supportive environment for housing finance and incentivize financial institutions to offer more housing finance solutions to consumers. By giving an example that, the Tanzanian government could offer tax breaks to financial institutions that offer housing finance solutions or provide subsidies to cover part of the interest rates on housing loans, on contrary there is a need for understanding of customers, segmentation, support microfinance institutions, localizing services, and reducing production costs. This led to the conclusion that, it's high time the for the Tanzanian government to re-create housing finance products and services deployed in the market to be accessed by a larger mass of women and youth.

"*With our interaction with the key stakeholders, a seasoned finance expert declared that "For an important product like this... there is need to be some incentives for them to do it."*- Financial Service Provider, Bank

## Finding 4: There is a lack of awareness about available housing financial solutions for women and youth in Tanzania

When examining if the key stakeholders are aware of housing financial services deployed in the Tanzanian market, one stakeholder mentioned an additional housing finance solution provider for women and youth called TGSD. That said,the key informant indicated that the organization has been closed. In addition to that, the stakeholders highlighted a need for greater awareness and education about the housing finance providers that cater to women and youth. They also mentioned that the lack of awareness or knowledge about specific financial service providers that offer products targeting these groups.

*"The problem comes to how they operate, product's sustainability, and how people are benefiting to make them affordable", therefore it's high time for financial service providers and market players to reinvent the wheel." -* **Regulator**

## Finding 5: Research and development in building materials are essential for affordable housing that will result to affordable Housing Finance products

When asked the key stakeholders what suppliers could do to increase affordable housing, most key stakeholders emphasized that research and development in building materials can lead to the development of more affordable and sustainable housing finance options, which can help to lower the cost of constructing homes and make housing more affordable. Further, they highlighted that they also would not only reduce the cost of importing materials but also create job opportunities and support local industries. In addition, a collaboration between the private sector and financial institutions is crucial for driving innovation in the housing sector, for instance. Tanzanian start-ups and fintech companies face challenges in innovating due to their dependence on banks for funding, hence investment in research would create an avenue for new investment and the evolvement of affordable goods and services in the housing finance market.

*"The only challenge with people like ourselves, fintech and all, is we depend on the money that is coming from the banks themselves... We need a new investment opportunity created from a specific fund to enable startups and fintech to innovate from the building of houses to financial services and amenities."* – **Financial Service Provider, FinTech**

## Fact 6: High eligibility criteria set by commercial banks in housing finance

When key stakeholders were asked what the financial service providers in Tanzania could do to drive affordable housing in Tanzania, the stakeholders serving the financial sector highlighted that commercial banks in Tanzania offer mortgage products to their customers and beyond, these banks provide various mortgage products with varying interest rates, repayment periods, and eligibility criteria. They also highlighted that only the Tanzanian salaried community and the high-performing business community can acquire the housing. for instance, anyone who accesses the mortgage loan offered by one of the leading banks would find that the person is required to provide the following; (i) a copy of your 3 current pay slips/ proof of income, (ii) proof of identification, (iii) certified copies of 3 months personal bank statements, (iv) letter of reference from your employer that the willing channel of salary/ income, (v) employment contract letter and (v) application has any pending loan and certified copy of title deed (to facilitate property valuation). This entails that the current housing products deployed in the market are somewhat positioned to meet the Tanzanian banked community.

*"They don't have friendly requirements; they have kind of strict requirements"* - **Housing Developer**

## Finding 7: Market segmentation is critical for supply of housing finance products

When the survey asked the key stakeholders about the barriers that hinder the growth of the housing market in Tanzania, the key stakeholders shared an opinion that for housing finance to thrive, a market segmentation is critical. Further, they narrowed that developing targeted housing finance solutions that meet the needs of specific groups since housing financers struggle to identify the needs and preferences of different demographic groups, such as youth or women, and design appropriate housing solutions. In addition, they emphasized that imperative to understand their behavioral patterns and aspirations that would vary per group. This concludes the fact that the current products are not structured to meet the end user's needs.

*"I think we need to segment the market better and make it more inclusive which means, I can say these are students, how do I get them on to a mortgage, these are women, how do I get them into a path of owning a property. Perhaps they have an informal sector business, but they belong to a group, can we say the group now becomes a guarantor and we actually take every one of them and say do you want a house? You can imagine, if there are 100 people in a group and they are all saving and they are all having good incomes, they can get onto the housing"*- **Financial Service Provider, FinTech**

## Finding 08: Lack of funds for long-term finance as youth would require long-term tenure/support

When trying to gauge the views of the key stakeholders, The key stakeholders confirmed facing challenges when attempting to serve women and youth because they don't have savings to justify their financial strength, in most cases many housing financers do not have the internal institutional capacity including the cash reservoirs targeting for long term housing finance products, making it challenging for designing housing products for low-income youth and youth, in general, This entails that, for the financial service providers and non-financial actors to serve the youth population long-term interventions should be deployed in the market.

"*That's the tough one, because with youth considering they have challenges, I am talking of the general, not every single one, I think of long-term guarantee is important for somebody to underwrite some of the restriction for a long period of time, that would require the intervention beyond the private sector, it would require the intervention from the government also and other sources of intervention*"- **Financial Service Provider, Bank**

## 4.3 Rules and regulations governing the housing finance market in Tanzania

The rules and regulations of the Tanzanian housing market vary depending on the specific laws and policies in place at the time. However, in general, the government of Tanzania regulates the housing market through various agencies and laws, including the Ministry of Lands then channeled through the national level, regional level, community level, and household level. However, organizations/ agencies like NHC, TMRC, and WHC may govern aspects of the housing market such as land acquisition, construction, financing, and implementation of housing development policies.

On the other hand, there are also various informal regulations and conventions that are adhered to in the market, such as informal land ownership, informal settlements, informal construction, and informal financing methods, such as borrowing from family, friends, and informal communities. Additionally, certain religious and cultural practices may be specific to certain ethnic groups that are respected and the Tanzanian government is aware of.

**The formal rules and regulations that apply to youth and women in the housing market in Tanzania include the following**.

a. The Court (Land Disputes Settlements) Act of 2002 also establishes requirements for women's participation at Ward-level tribunals and appellate tribunals.

b. The Village Land Act of 1999

c. The Land (Mortgage Financing) Regulations, 2009

d. National Human Settlement Policy,2000

e. National Youth and Development Policy, 2007

## The following is the brief analysis on the impact of these on women and youth, and prospect and Government involvement to affordable Housing Finance

### A. A brief analysis on Court (Land Disputes Settlements) Act of 2002

The Land Disputes Courts Act of 2002, as described in the provided information, primarily focuses on the establishment of a legal framework for resolving land disputes in Tanzania. However, it does not explicitly address the impact on women and youth or the prospect and positioning of the government vis-a-vis affordable housing finance.

**Impact on Women and Youth:**

- **Representation-**The Village Land Council, as per Section 5(1), mandates that three out of seven members should be women. This provision aims to ensure gender representation and promote women's participation in decision-making processes related to land issues (Land Disputes Courts Act, 2002, Section 5(1)).

- **Qualification and Appointment-** The qualifications for nomination and appointment to the Village Land Council are stipulated under Section 60 of the Village Land Act, 1999. These qualifications ensure that individuals with relevant knowledge and expertise, including women and youth, are considered for appointment to the Council (Land Disputes Courts Act, 2002, Section 5(2)).

**Government involvement to affordable Housing Finance**

- **Administrative Responsibility**- The Registrar of village, appointed under Section 23 of the Local Government (District Authorities) Act, 1982, assumes the role of the Chief Executive of all Village Land Councils and Ward Tribunals. They are responsible for administrative functions, budgetary estimates, and providing advice to Local Authorities on matters related to Village Land Councils and Ward Tribunals (Land Disputes Courts Act, 2002, Section 6(a)-(c)).

- **Dispute Resolution-** The Village Land Council, as part of its functions outlined in Section 7, is responsible for receiving complaints, convening meetings for dispute hearings, and mediating between parties to achieve a mutually acceptable settlement on land-related matters within its jurisdiction. This contributes to the government's objective of providing accessible and efficient dispute resolution mechanisms for land-related issues, including those related to affordable housing. (Land Disputes Courts Act, 2002, Section 7).

- **Referral Process-** Section 9 of the Act establishes a referral process where disputes that are not resolved at the Village Land Council level are referred to the Ward Tribunal in accordance with Section 62 of the Village Land Act, 1999. This demonstrates the government's commitment to ensuring access to justice and providing higher-level avenues for the resolution of land disputes, including those concerning affordable housing (Land Disputes Courts Act, 2002, Section 9).

## B. A brief analysis on Village Land Act of 1999

- **Customary Rights of Occupancy-** The land act discusses the payment of premiums and rents for customary rights of occupancy. It is important to note that women and youth can be affected by these provisions if they are seeking access to land or housing. In many societies, women and youth may face additional barriers in obtaining land or securing housing rights, which could potentially limit their access to housing finance.

- **Premiums and Rents-** The village council has the authority to determine the amount of premiums and rents for rights of occupancy. The factors considered include the value of land, the use of land, and any advice given by the Commissioner. These provisions could indirectly impact women and youth if they are seeking housing finance, as they may have limited resources or financial capacity to meet the required payments.

- **Length of Term-** The land act mentions that customary rights of occupancy can be granted for indefinite terms or specific periods, typically up to 99 years. This provision does not explicitly address the implications for women and youth. However, if women and youth are seeking secure and long-term housing solutions, the availability of longer terms for occupancy rights can be beneficial in ensuring housing stability.

**Government involvement to affordable Housing Finance**

- **Capacity Building and Awareness-** Governments can invest in capacity building and awareness programs to enhance financial literacy, educate potential homebuyers about affordable housing finance options, and facilitate informed decision-making. By improving financial literacy and awareness, the government empowers individuals to navigate the housing finance landscape effectively and make informed choices that align with their needs and financial capabilities.

- **Targeted Programs and Social Housing-** Governments often implement targeted programs and initiatives to address specific housing needs. This may include social housing programs that provide subsidized rental housing or facilitate homeownership for vulnerable populations. The government's positioning involves allocating resources, formulating eligibility criteria, and establishing mechanisms to ensure the efficient delivery of these programs.

## C. A brief analysis on The Land (Mortgage Financing) Regulations, 2009

The provisions outlined of the Land (Mortgage Financing) Regulations, 2009 primarily focus on ascertaining the marital status of applicants for a mortgage, particularly in the case of a matrimonial home. While these regulations do not explicitly mention the impact on women and youth, they indirectly affect these groups, as they may be potential applicants for affordable housing finance.

- **Declaration of marital status-** The regulations require applicants to declare their marital status and provide information about their spouse(s). This provision aims to ensure that both spouses are aware of and consent to the mortgage. While this can be seen as a protective measure for women, it may also place additional burden on them to involve their spouses in the mortgage process.

- **Independent advice for spouses-** In the case of a mortgage on a matrimonial home, the regulations require the mortgagee to advise the applicant to ensure that their spouse(s) receive independent advice on the mortgage terms and conditions. This provision recognizes the importance of informed consent and aims to protect the rights of spouses, including women, in the mortgage transaction.

On the other hand, The Land (Mortgage Financing) Regulations, 2009 do not explicitly address the impact on youth. However, if young individuals or couples are seeking to finance their first homes, they would be subject to these regulations regarding the declaration of marital status and the requirement for spousal consent, if applicable.

**Government involvement to affordable Housing Finance**

The regulations do not specifically address affordable housing finance. However, the government's role in promoting affordable housing finance is crucial in providing access to housing for women, youth, and other vulnerable groups. The government can play a significant role in ensuring the availability of affordable mortgage options, providing subsidies or incentives for affordable housing, and implementing policies that facilitate access to finance for these target groups.

- **Establish affordable housing programs-** The government can create programs and initiatives specifically targeted at providing affordable housing finance options for women, youth, and other marginalized groups.

- **Collaborate with financial institutions-** The government can collaborate with banks and financial institutions to develop mortgage products tailored to the needs of women and youth, such as lower down payment requirements, flexible repayment terms, and reduced interest rates

- **Provide subsidies and incentives-** The government can offer subsidies or financial incentives to make housing more affordable, such as down payment assistance, interest rate subsidies, or tax breaks for first-time homebuyers.

- **Support financial literacy and education-** The government can promote financial literacy programs to educate women and youth about mortgage financing, budgeting, and responsible homeownership, enabling them to make informed decisions regarding housing finance.

- **Streamline regulatory processes-** The government can review and streamline regulations related to mortgage financing to make the process more efficient and accessible, reducing barriers for women and youth seeking affordable housing finance.

## D. A brief analysis on National Human Settlement Policy of 2000

A critical analysis reveals a significant gap in the existing framework: the absence of explicit provisions addressing housing finance concerning women and youth. This oversight in Tanzania's human settlement policy is concerning, as it disregards the unique challenges and needs faced by these marginalized groups, hindering their access to adequate housing and impeding their socio-economic empowerment.

**Women's Perspective**

Tanzanian women represent a crucial segment of the population, playing essential roles in society, the economy, and family units. Yet, they encounter distinct obstacles when it comes to housing finance. The absence of gender-specific provisions within the human settlement policy neglects the financial constraints, discrimination, and limited access to credit that women face. Women often encounter difficulties in obtaining loans or mortgages due to societal norms, lack of collateral, and discriminatory practices. By disregarding these challenges, the policy fails to address the specific needs of women, perpetuating their exclusion from affordable housing options and impeding their progress.

**Youth Perspective:**

The youth of Tanzania, representing a significant portion of the population, are critical to the country's development. However, they often encounter hurdles in accessing adequate housing due to limited financial resources, lack of credit history, and unstable employment opportunities. The current human settlement policy overlooks the unique housing finance requirements of the youth, failing to provide supportive mechanisms that enable them to secure affordable housing. Without explicit provisions addressing their needs, the policy inadvertently perpetuates youth housing insecurity, hindering their social and economic advancement.

### E. A brief analysis on National Youth and Development Policy, 2007

The provided information focuses primarily on youth development in Tanzania and does not specifically address the impact on women or housing finance. However, I can provide a general analysis of the impact of youth development policies on women and discuss the prospect and positioning of the government regarding affordable housing finance.

**Analysis of Impact on Women and Youth:**

While the information provided does not explicitly discuss the impact on women, it acknowledges the need for special attention to specific groups of young people, including those living in difficult circumstances. This recognition suggests that women, who often face additional challenges and vulnerabilities, would benefit from targeted policies and programs aimed at empowering and supporting them.

In terms of youth development, the policies mentioned address various issues affecting young people, such as access to education, training, social security, economic empowerment, and protection from hazardous working conditions but not in housing finance issues. Hence, introducing housing finance related issues in the policy would potentially, the provided information focuses primarily on youth involvement in housing market in Tanzania.

**Government involvement to affordable Housing Finance**

- The information provided does not specifically address affordable housing finance. However, it mentions the need for equitable access to resources and land, which can indirectly contribute to addressing housing issues faced by young people, including women.

- To promote affordable housing finance, the Tanzanian government could consider implementing policies and initiatives that facilitate access to housing finance for youth, including women. This could involve partnering with financial institutions, NGOs, and the private sector to develop affordable housing schemes, providing subsidies or incentives for housing loans, and promoting awareness and education on housing finance options.

- Additionally, the government could explore collaborations with international organizations or development agencies that specialize in affordable housing finance, leveraging their expertise and financial resources to support the implementation of affordable housing programs.

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The rules and regulations lack a clear and explicit approach that actively supports and promotes the financial inclusion of low-income youth and women. While there may be general provisions to ensure financial access and protection for all individuals, these provisions do not specifically cater to the unique circumstances faced by low-income youth and women. As a result, they may struggle to access appropriate financial services, face barriers in building creditworthiness, and experience limited opportunities for economic empowerment. In addition, the rules fail to hold accountable the key players responsible for designing, accelerating, and delivering financial services to low-income individuals. This includes financial institutions, policymakers, and other stakeholders involved in shaping the financial ecosystem. Without adequate accountability measures, these key players may not prioritize the inclusion and empowerment of low-income youth and women, leading to systemic biases and exclusionary practices that further perpetuate financial inequality.

To address these gaps, it is crucial to develop and implement regulations that explicitly recognize the unique challenges faced by low-income youth and women. This can involve targeted initiatives to increase financial literacy, access to affordable credit, and opportunities for entrepreneurship or employment. Additionally, regulations should establish clear accountability mechanisms to ensure that financial institutions and policymakers actively work towards promoting the financial well-being of low-income individuals, including youth and women. By addressing these gaps, the formal rules and regulations can create a more inclusive and equitable financial system that benefits all segments of society.

**The informal rules and regulations that apply to youth and women in the housing market in Tanzania include the following;**

The informal rules that govern the housing market in Tanzania hold significant influence over the experiences of women and youth within the Tanzanian community. These unwritten norms and practices can either hinder or support their access to housing and their overall socioeconomic progress. On one hand, the informal rules often perpetuate gender inequalities, limiting women's agency and decision-making power in matters related to housing.The informal nature of the housing market can exacerbate the challenges faced by youth in accessing housing, on the other hand Informal rules may also favor established networks and connections, disadvantaging youth who lack social capital or financial resources to navigate the informal housing market.

However, the informal rules in the housing market can also provide avenues for support and empowerment for women and youth. Informal networks, such as community-based organizations and women's self-help groups, can play a crucial role in advocating for the rights of women and youth in housing matters. These networks can provide resources, information, and collective bargaining power, enabling women and youth to challenge discriminatory practices and negotiate better housing conditions.

Furthermore, the flexibility and adaptability of the informal housing sector can create opportunities for entrepreneurial endeavors among women and youth. They may engage in small-scale housing construction, rental management, or other informal housing-related activities, allowing them to generate income and gain economic independence.

**Additionally, some traditional customs and laws may also prohibit women from being able to participate in decision-making processes related to house ownership and use.**

- **Informal land ownership-** Many people in Tanzania live on land that is not officially registered or recognized by the government. In these cases, people may rely on informal agreements or traditions to establish land ownership.

- **Informal finance-** Some people may rely on informal sources of financing, such as family, friends, or local savings groups, to purchase a home.

- **Informal construction-** Some people in Tanzania may build homes without obtaining formal building permits or following building codes and regulations.

- **Informal settlements-** Many people in Tanzania live in informal settlements, which are often located on land that is not officially zoned for residential use.

- **Traditional cultural practices and laws-** may restrict women's ability to own a house. For example, in some ethnic groups, the house is passed down through the male line, and women are not considered legal heirs to the house.

### 4.3.1 Market insights on the rule and regulations governing housing finance for women and youth in Tanzania

To get a deeper understanding of the housing finance market for women and youth, the study engaged a wide range of experts in the housing sector, financial sector and beyond. In line with the key informant interviews held with the expert, below is a series of facts based on the opinion of experts to expound on the rules and regulations governing housing finance with an interest on women and youths.

### Finding 1: there is a need for policies that encourage investment and competition in the refinancing space

When asked about their opinion on the housing finance policy Tanzania, key stakeholders mentioned the absence of a housing policy, appearing as missing link in the market by emphasizing the need for an enabling environment for the private sector and the importance of policies to guide the industry and attract investors. In addition, they highlighted an absence of a housing policy leads to limited accessibility to the public due to lack of awareness. More importantly, the stakeholders highlighted that the Mortgage Finance Regulation Act can be viewed as a right direction to go, but there is a need for policies that encourage investment and competition in the refinancing space.

*"The policies are not well known to the public. It's only the people who work in the sector who are aware of the policies."* -**Housing Developer**

### Finding 2: There is a need for a Private Public Partnership (PPP) addressing challenges related to women and youth to ensure the effectiveness of the housing finance policy

When we asked the key stakeholders what to consider in the mechanics of constructing the housing finance policy in Tanzania, responses were mixed. The key stakeholders emphasized the need for a Private Public Partnership (PPP) to address current issues, particularly related to women and youth. In addition, the stakeholders, highlighted merging the comprehensive housing finance policy with current evolving initiatives will support both the general market and specific groups like women and youth. This positions the importance of creating awareness and ensuring that all stakeholders are aware of the initiatives implemented by the government and other stakeholders to spice up active dynamic partnerships.

*"… we have started something called TMRC - Tanzania Mortgage Refinancing Company whose aim is to emphasize housing loans. It's operating under the central bank or the Ministry of Finance if I am not mistaken. It has led the 31 banks to give housing loans, that is one of other several strategies like plot surveying, encourage real estates, creating the enabling environment for the private sector to participate, especially real estate companies."* – **Housing Developer**

### Fact 3: There is a need to promote gender equality in housing finance

Trying to understand how the formal rules and regulations can hinder or support the uptake and usage of housing finance products and services among women in Tanzania, the key stakeholders expressed low levels of awareness of both formal and informal rules, on the other hand, stakeholders acknowledged the existence of social pressures and norms that can be considered as informal rules. Further, they emphasized the importance of education and social movements to address women's and youth's access to housing finance products. In a nutshell, stakeholders also noted that adequate awareness of informal rules will eliminate unseen cultural barriers hence creating an enabling environment for women and youth participation and supporting their access to housing finance products and services.

*"Just the social pressure from us men against women owning their properties, if we can call them informal rules, then yes. Through awareness, as I mentioned earlier, that situation is not as it used to be, it is going down."* – **Financial Service Provider, FinTech**

### Finding 4: Improved rules and regulations can support the microfinance sector and bridge financial gaps for low-income earners

Further, the key stakeholders we asked for recommendations in the rules and regulations to drive uptake and usage of housing financial services among women and youth in Tanzania. The key stakeholders spotted a call for the government to enact laws and policies that promote affordable housing for women, striking a balance between enforcement and market development in rules and regulations.

In addition, improving the rules and regulations such as the Land (Mortgage Financing) Regulations, 2009 which s linked directly to housing finance issues and it plays as an instrument that promotes the affordability of housing finance products and services, promoting the microfinancing sector, and enacting laws and policies that support affordable housing for women and youth.

*"The dialogues that we would like to have is on the improvements, not only law improvements but the operational improvements, it's how the banks will look into having affordable interest rates for housing loans that people will access."* – **Housing Developer**

## 4.4 Support functions complimenting the Housing Finance in Tanzania

How the supporting functions influence youth and women in the access and usage housing market in Tanzania:

It is worth noting that a successful housing market requires a combination of supporting functions like information, skills and technology, good infrastructure, skills and technology, and other related services like economic stability, government policies, and legal and regulatory environment.

Information plays a crucial role in helping youth and women navigate the housing market. It can help them understand their rights and options, make informed decisions, and access resources and opportunities that can help them secure and maintain housing in such as;

- **Providing information on affordable housing options-** This can include information on government-subsidized housing programs, affordable housing developments, and other resources that can help make housing more affordable for youth and women.
- **Helping youth and women access financial resources for housing-** Information on financial assistance programs, grants, and other resources can help youth and women access the financial resources they need to secure and maintain housing.
- **Helping youth and women understand the housing market-** Information on housing market trends, prices, and other factors can help youth and women make informed decisions about where to live and how to invest in housing.
- **Providing information on home ownership-** Information on mortgage options, home-buying programs, and other resources can help youth and women understand the process of buying a home and take steps to become homeowners.
- **Educating youth and women on their rights as tenants-** Information on tenant rights can help youth and women understand their rights and obligations as renters and act if their rights are being violated.

### 4.4.1 Market Insights on the support functions complimenting housing finance for women and youth in Tanzania

To get a deeper understanding of the housing finance market for women and youth, the study engaged a wide range of experts in the housing sector, financial sector and beyond. In line with the key informant interviews held with the 15 experts, below is a series of facts based on the opinion of experts to expound on the state of support function to compliment the housing finance market.

#### Finding 1: The availability of data and information to support the housing market in Tanzania is currently limited and recognized as a common issue even in other African countries

Upon gathering information on the availability of data/information to support the housing finance market, the key stakeholders provided insights into the challenges and efforts being made in Tanzania, emphasizing that lack of data is recognized as a common issue not only in Tanzania but in many African countries. Proper data collection and availability were seen as crucial for innovation, attracting investors, and supporting informed decision-making. The stakeholders highlighted the three types of information sources: (i)government information aimed at safeguarding the interests of consumers and service providers, and (ii)information from service providers themselves and (iii) Information on the state of demand for housing finance. Further explained that the government conducts housing censuses to establish a database on housing availability, scarcity, and quality, which helps in understanding the housing demand and informing investors. However, most of the stakeholders expressed their unawareness or limited access to data, highlighting the need for digitization and efforts to make data more accessible.

*"The Agent always makes sure he is maintaining the information asymmetry which means they will hold their information as their paycheck. So, there is not enough information circulating, is only within a couple of people, digitizing this would be a huge link, I think there is a startup which has actually started to work on that."* – **Financial Service Provider, FinTech**

#### Finding 2: Women and youth lack knowledge and awareness of formal house financing products

Key stakeholders were prompted on whether women and youth have enough knowledge of formal house financing products which revealed a unanimous agreement that there is a colossal lack of awareness and knowledge in these groups. The key stakeholders emphasized the need for increased awareness and education about existing opportunities, as well as the importance of financial education in general. Further, key stakeholders emphasized the importance of public awareness, indicating that public campaigns aimed at women and youth should be prioritize to drive uptake and usage of housing financial services. This highlights opportunities for financial actors and non-financial actors to design implementable programs that can be supported by the development partners in ensuring awareness of the rules and regulations amongst women and youth in Tanzania.

*"I don't think I can say they can do it, some may know, but I would say probably a small portion of those groups knows… you find that many people still don't know many of the products that are available beyond housing finance. So, that's a struggle and I think it's something that we need to continue to educate the general public, specifically women and youths because I think they are more disadvantaged in this."* – **Housing Developer**

#### Finding 3: More research is needed to the support availability of information and strength the awareness of the rules and regulations

When the key stakeholders were asked about financial service providers' knowledge of formal house financing products to aimed at women and youth, the stakeholders believed that these financial providers do not have the necessary knowledge and skills to meet the demands of the youth and women. The key stakeholders from financial institutions felt that financial institutions like theirs lacked adequate research on the matter, while others, who had been involved in a study on mortgage literacy, noted that there was a need to talk to a lead researcher who had more information on the topic.

*"I don't think there has been enough research for the financial institutions like ourselves"* -**Financial Service Provider, Bank**

### Finding 4: The state of physical infrastructure such as roads and terrain in Tanzania significantly impacts the cost of housing, to both individuals and developers as well as limits access to land at reasonable prices and contributes to bureaucratic challenges in development

Part of the study required understanding and gaining views of the state of infrastructure and its impact on delivering housing finance solutions to women and youth from the key stakeholders in the housing market. The stakeholders have applauded the government's efforts to improve infrastructure, yet the efforts have only slight effects in reducing the costs of building materials and accessing and formalizing land plots. Further, they explained that the lack of developed infrastructure in certain areas resulted in higher costs for individuals and developers, which could hinder access to affordable housing.

*"Infrastructure makes the costing very expensive because all that is being factored into the cost of financing."* – **Financial Service Provider, Bank**.

### Finding 5: Digitizing processes and collecting customer data can facilitate customer onboarding in housing finance market thus making housing finance services more easily accessible to a broader population

When queried the key stakeholders about the technological advancements needed to drive faster uptake and usage of housing financial services among women and youth, the key stakeholders shared that it is important to incorporate advanced digital solutions such as digital scoring and aggregation for efficiency and risk mitigation, particularly when dealing with large volumes of clients. Further highlighted the need for collecting customer data and digitizing processes to make customer onboarding and education more accessible and cost-effective. Additionally, they mentioned innovative construction technologies can lower the costs of housing, such as pre-fabricated walls and hydro foam bricks.

*"… it may be costly to do manual analysis and scoring, you need to do some digital scoring in order to be able to decide on their capabilities and their needs. But also, to digitally aggregate these people for efficiency and risk mitigation, you need to do this digitally really especially when you are talking about big volume."* **– Financial Provider, Bank.**

## 5.0 Proposed interventions to enhance the access of housing financial products amongst women and youth

### A. Demand side main constraint

One of the primary demand-side constraints in the housing finance market for women and youth in Tanzania is the **low levels of awareness** and **uptake of housing finance solutions for women** and **youths**. The research findings indicate that a significant majority, more than 8 out of 10 individuals, are unaware of the available housing finance options. This lack of awareness prevents potential borrowers, particularly women and youth, from accessing the financial resources needed to secure affordable housing. Furthermore, only 15% of the target segments have knowledge of housing finance options specifically designed for women and youth. This limited awareness contributes to a low level of uptake, as evidenced by the fact that only 1% of the eligible target segments have taken up housing finance solutions. This lack of understanding and utilization of housing finance options demonstrates the urgent need for comprehensive awareness campaigns, financial education initiatives, and targeted outreach programs to empower women and youth with the knowledge and resources necessary to access and benefit from affordable housing finance opportunities.

### Demand Side Constraints

| Constraints | Survey Findings | Interventions | Partners |
|---|---|---|---|
| Women and Youth have financial stress and burdens because of their low incomes levels that result from informal employment and seasonal economic activities | Low levels of income – Only 40% earn between 205,000 (TZS) and 792,145 (TZS) per month. | Support market players in designing and anchoring housing finance solutions on organized groups of women and youth – **Priority 1** | Women and Youth Programs<br><br>R&D Experts |
| | Seasonal Income – A third of the eligible market segments have seasonal incomes from agriculture activities | Support action-oriented research on the needs, behavior, and challenges hindering active economic participation and agency of women and youths – **Priority 2** | Local and International Universities<br><br>Ministry of Labor, youth, employment, and People with Disabilities |
| | Informal Employment – 7 out 10 of target segments are informally employed in agriculture and trading | Support in the review / revamp national master plan and NFIF to create a credit allocation | Ministry of Lands, Housing and Human Settlement |
| | High levels of dependency – 72% of the target segments | | |

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| | have a child(ren) they take care of<br><br>Housing finance options available in the market are designed for individuals with a high and stable income | quota for housing finance (including for women and youth) – **Priority 3** | Ministry of Finance and Planning<br><br>Bank of Tanzania |
| Low levels of education | Almost half (49%) of the target segments only have primary school education<br><br>Women are more likely to have Primary education or less.<br><br>More than 50% of women and youth who are aware of housing finance solutions find them complex | Support action-oriented research and analysis on models which will result in higher uptake and usage of housing finance among less educated women and youths – **Priority 1**<br><br>Facilitate the development and piloting of new and scaling up of available housing finance solutions/models for women and youth – **Priority 2** | Design Thinkers<br><br>R&D Experts<br><br>Local and International Universities<br><br>Financial Service Providers (Banks, MNOs, Microfinance and FinTech) |
| Low land and title deed ownership | Almost half (48%) of the eligible target segments have land on which they can build their residence<br><br>Only 10% of those that own the house they live in, or land have a title deed | Support in the design and deployment of policy programs that seek to unlock access to housing finance for women and youth – **Priority 1**<br><br>Support the Ministry of Lands, Housing and Human Settlement in the review and revamp of the process and cost for issuance of title deeds – **Priority 2** | Ministry of Lands, Housing and Human Settlement<br><br>Ministry of Community Development, Gender, Women and Special Groups<br><br>Ministry of Labor, youth, employment, and People with Disabilities |
| Financial Autonomy is low among women and youths | Around half have money they can do as they wish, and the youth seem to have more autonomy<br><br>Around 2 out of 10 of the target markets are not involved in making financial | Support in the deployment of behavioral change programs that seek to resolve women and youth barriers of uptake – **Priority 1** | Development Partners<br><br>Media<br><br>Ministry of Community Development, Gender, |

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|---|---|---|---|
| | decisions related to housing issues | | women, and Special Groups<br><br>Ministry of Labor, youth, employment, and People with Disabilities |
| Women and youth lack a credit history to examine their creditworthiness | Only around 2 out of 10 of the target segments borrowed in the past 12 months | Support initiatives to develop alternative credit/client assessment approaches for thin filed clients (women and youth) – **Priority 1**<br><br>Support initiatives for open data sharing in the market – **Priority 2** | Credit Reference Bureau<br><br>Bank of Tanzania<br><br>Ministry of Finance and Planning<br><br>Financial Service Providers (Banks, MNOs, Microfinance, and FinTech) |
| Low financial and digital literacy | Only a quarter of the eligible market segments prepare budgets for housing<br><br>8 out of 10 of both segments depend on personal savings to build their houses<br><br>**Only about 3 out of 10 eligible target segments** reported having the **necessary technological skills** to access housing finance products digitally<br><br>80% avoid borrowing if they can<br><br>More than 9 out 10 of eligible market segments with homes have built them incrementally | Support in the deployment of behavioral change programs that seek to resolve women and youth barriers of uptake- **Priority 1**<br><br>Support market actors in delivering new or improved financial literacy programs targeting women and youth- **Priority 2** | Media<br><br>Content Developers<br><br>Financial Inclusion Programs<br><br>Financial Service Providers (Banks, MNO's, Microfinance and FinTech)<br><br>Bank of Tanzania |
| | | | |

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|---|---|---|---|
| Low levels of awareness of housing finance solutions in the market | More than 8 out of 10 are not aware of available housing finance options.<br><br>Only 15% of the target segments are aware of of housing finance options for women and youth | Support market actors in delivering financial education programs anchored on housing finance issues and options for women and youth- **Priority 1** | Media<br><br>Content Developers<br><br>Financial Inclusion Programs<br><br>Financial Service Providers (Banks, MNO's, Microfinance and FinTech)<br><br>Bank of Tanzania |
| Low levels of uptake of housing finance | Only 1% of the eligible target segments have taken up housing finance solutions | Capacitate FSPs with skills that will support them in the development of market solutions and segmentation of the market that meet the housing needs of women and youth- **Priority 1**<br><br>Facilitate the development and piloting of new and scaling up of available housing finance solutions/models for women and youth - **Priority 2** | Design Thinkers<br><br>R&D Experts<br><br>Local and International Universities<br><br>Professional Training Schools – Tanzania Institute of Bankers<br><br>Financial service providers |

### B. Supply-side main constraint

The main supply-side constraint in the housing finance market in Tanzania is the **limited number of players developing housing finance options specifically designed for women and youth**. The research findings indicate a heavy focus on mortgages as the primary means of offering housing finance solutions in the Tanzanian market, which may not effectively cater to the unique needs and circumstances of women and youth.

Moreover, there is a lack of capacity among financial service providers (FSPs) to drive housing finance targeting these segments. This constraint is further compounded by a low-risk appetite among FSPs to serve the women and youth market, creating barriers to accessing suitable housing finance products. The lack of information and data on available opportunities in housing finance for women and youth exacerbates the problem, making it difficult for potential borrowers to navigate the market. Additionally, there is a general low appetite in the housing finance market in Tanzania among financial service providers, leading to limited options for women and youth seeking housing finance. Addressing these supply-side constraints requires fostering a supportive ecosystem that encourages FSPs to develop innovative and inclusive housing finance solutions, strengthening their capacity to target women and youth, and improving the availability of information and data to facilitate informed decision-making.

## Supply-Side Constraints

| Constraints | Evidence | Interventions | Partners |
|---|---|---|---|
| Few players developing housing finance options for women and youth | Heavy focus on the mortgage as the means of offering housing finance solutions for the Tanzanian market<br><br>Lack of capacity among FSPs to drive housing finance targeting women and youth<br><br>Low-risk appetite to serve the women and youth market<br><br>Lack of information/data on available opportunities in housing finance for women and youth<br><br>Low appetite in the housing finance market in Tanzania by financial service providers | Capacitate FSPs with skills that will support them in the development of housing finance solutions that meet the needs of women and youth – **Priority 1**<br><br>Facilitate the development and piloting of new and scaling up of available housing finance solutions/models for women and youth – **Priority 2**<br><br>Support in the review / revamp national master plan and NFIF to create a credit allocation quota for housing finance (including for women and youth) – **Priority 3**<br><br>Support the Ministry of Finance and Planning in developing a housing finance framework<br><br>– **Priority 4** | Design Thinkers<br><br>R&D Experts<br><br>Local and International Universities<br><br>Professional Training Schools – Tanzania Institute of Bankers<br><br>**Ministry of Finance and Planning**<br><br>**Bank of Tanzania** |
| Few affordable housing developers and models in the Tanzanian market | Tanzania has few affordable housing developers, models, and projects | Support R&D programs that seek to unlock affordable housing finance solutions aimed at women and youth-**Priority 1** | Design Thinkers<br><br>R&D Experts |

| | | | |
|---|---|---|---|
| | | | Developers |
| Lack of collateral among women and youth – they are less likely to have a title deed | Very few women and youth own land and have a title deed | Support initiatives to develop alternative credit/client assessment approaches for thin filed clients (women and youth) - **Priority 1** | Credit Reference Bureau (CRBs) |

## C. Rules and regulations main constraint

The main rules and regulation constraint in the housing finance sector in Tanzania is the **lack of specific rules and regulations that nudge financial service providers to allocate credit specifically for housing finance** for **women** and **youth**. The research findings reveal a gap in the regulatory framework that fails to establish clear guidelines for financial institutions to prioritize and allocate credit for housing finance purposes.

This lack of rules or strategies hinders the accessibility of housing finance for both women and youth. Additionally, there is a scarcity of affordable housing programs specifically targeting women and youth in the market.

The absence of supportive policies and regulations that ensure the allocation of housing finance credit to these vulnerable segments further exacerbates the challenge of accessing suitable and affordable housing options. Addressing these rules and regulation constraints would involve the development and implementation of comprehensive policies and regulations that require financial service providers to prioritize housing finance and allocate credit specifically for women and youth. Such initiatives would foster inclusivity and affordability in the housing finance sector, ensuring that these segments are not left behind in their pursuit of adequate housing.

### Rules and Regulation Constraints

| Constraints | Evidence | Interventions | Partners |
|---|---|---|---|
| Lack of rules and regulations that require financial service providers to allocate credit to housing finance | Lack of rules or strategies that require financial service providers to apportion housing finance credit | Nudge the Women Affairs Committee under the NFIF to elevate the need for housing finance for women – **Priority 1** | Ministry of Finance and Planning<br>Bank of Tanzania |
| | Lack of rules that ensure women and youth are apportioned housing finance credit | Support in the review / revamp national master plan and NFIF to create a credit allocation quota for housing finance (including for women and youth) – **Priority 2** | Ministry of Lands, Housing and Human Settlement Development<br>TMRC |
| | | | |

| | | | |
|---|---|---|---|
| | Few affordable housing programs targeting women and youth could be identified in the market | Support the Ministry of Finance and Planning in developing a housing finance framework<br>– **Priority 3** | NHC<br><br>Ministry of Community Development, Gender, women, and Special Groups |
| Informal rules hinder women from land ownership | Patriarchal Traditions: Traditional norms and customs that favor male ownership and inheritance patterns can restrict women's access to land and property.<br><br>It is believed that the role of building a family home or house should be left to men<br><br>Access to sufficient legal support for women seeking to assert their land and property rights is frequently restricted. | Support the development and improvement of the Gender and Land Ownership Policy – **Priority 1** | Ministry of Finance and Planning<br><br>Bank of Tanzania<br><br>Ministry of Lands, Housing and Human Settlement Development<br><br>TMRC<br><br>NHC<br><br>Ministry of Community Development, Gender, women, and Special Groups |
| Complex and cumbersome land administration processes create major delays in the issuance of title deeds | The process of acquiring a title deed in Tanzania takes up to 2 years or more | Support the development and improvement of the Gender and Land Ownership Policy – **Priority 1**<br><br>Support women and youth housing finance projects that overcome the hurdles of acquiring a title deed- **Priority 2** | Ministry of Lands, Housing and Human Settlement Development<br><br>TMRC<br><br>NHC<br><br>Ministry of Community Development, Gender, women, and Special Groups |

## D. Support Functions Main Constraint

The main support function constraint in the housing finance sector in Tanzania is the **inadequate availability of data and information on the housing market, housing finance market, and the specific target market segments,** namely **women** and **youth**. The research study reveals a significant gap in the understanding of the housing market dynamics, including the demand and supply of housing finance products and services. Insufficient data and information hinder the development of tailored housing finance solutions that effectively address the needs and preferences of women and youth. Without accurate and comprehensive data, it becomes challenging for stakeholders to design and implement appropriate strategies, products, and programs that promote inclusive and accessible housing finance options.

Addressing this support function constraint requires increased efforts in conducting comprehensive studies and research specifically focused on housing finance and its targeting of women and youth. By generating robust data and information, policymakers, financial service providers, and other stakeholders can make informed decisions and design evidence-based interventions that contribute to the development of a more inclusive and effective housing finance sector in Tanzania.

## Support Function Constraints

| Constraints | Evidence | Interventions | Partners |
|---|---|---|---|
| Inadequate programs to support the capacitation of FSPs and Regulators in the development of responsive Housing Finance Solutions – Policies and Products | The study was not able to identify programs that support the capacitation of regulators and financial service providers on the development and management of housing finance solutions targeting women and youth | Capacitate FSPs with skills that will support them in the development of market solutions that meet the housing needs of women and youth- **Priority 1**<br><br>Facilitate the development and piloting of new and scaling up of available housing finance solutions/models for women and youth – **Priority 2**<br><br>Capacitate regulators with skills that will support them in the development of | **TIOB (Tanzania Banks Association)**<br><br>**Housing Finance Experts** |

| | | | |
|---|---|---|---|
| | | market solutions that meet the housing needs of women and youth-**Priority 3** | |
| Inadequate data/information on the housing market, housing finance market as well as target market segments (women and youth) | Housing finance and Housing Finance targeting women and youth is under study | Support action-oriented research on the needs, behavior, and challenges hindering active economic participation and agency of women and youths - **Priority 1**<br><br>Support action-oriented research on the needs, behavior, and challenges hindering active economic participation and agency of women and youths - **Priority 2** | R&D Experts<br><br>Local universities |
| Low levels of coordination among housing finance stakeholders (including government agencies, financial institutions, developers, and housing regulators) to serve women and youth | Delivery of housing finance solutions for women and youth requires connected thinking and coordinated actions by market players | Support the Ministry of Finance and Planning in developing a housing finance framework- **Priority 1**<br><br>Support in the improvement of the financial sector master plan to elevate the housing finance issues- **Priority 2**<br><br>Nudge the Women Affairs Committee under the NFIF to elevate the need for housing finance for women- **Priority 3** | Ministry of Finance and Planning<br><br>Bank of Tanzania<br><br>NHC<br><br>TMRC |

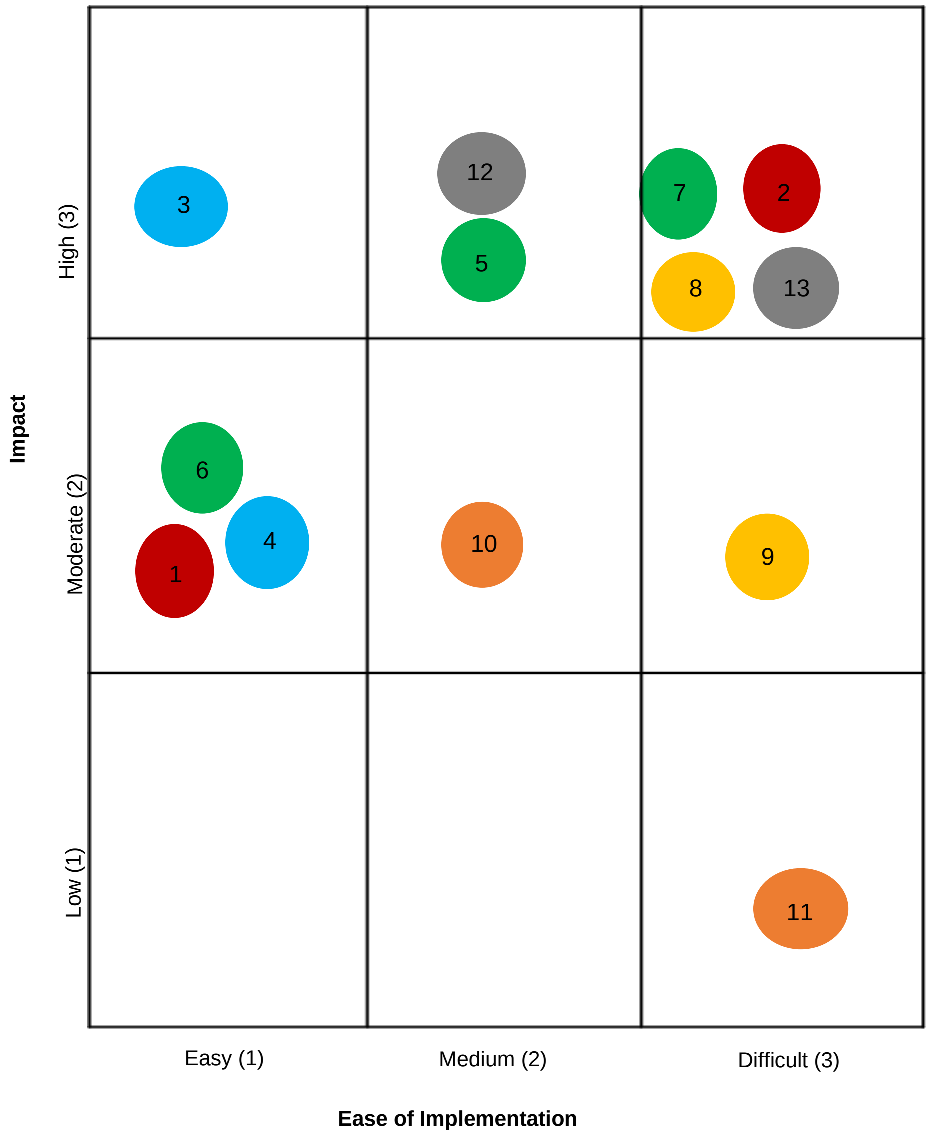
## 6.0 Interventions and Prioritization Matrix

| Interventions | Rating | | Prioritization | Partners |
|---|---|---|---|---|
| | Impact | Ease of Implementation | | |
| **A. Support market players in the designing appropriate housing finance solutions** | | | | |
| Capacitate FSPs and regulators with skills that will support them in the development of market solutions – policies and products | 2 | 1 | 1 | **TMRC,** TIOB, Housing Finance Experts |
| Facilitate the development and scaling-up of housing finance solutions/models for women and youth (including organized groups of women and youth) | 3 | 3 | 2 | **Financial Service Provider's**, TMRC, Design Thinkers |
| | | | | |
| B. **Support R&D programs that seek to unlock housing finance solutions aimed at women and youth** | | | | |
| Support action-oriented research and analysis on models which will result in higher uptake and usage of housing finance among less educated women and youths | 3 | 1 | 1 | **Research & Development Expert**, Local and International Universities, TBA, TAMFI, UNCDF, FSDT |
| Support action-oriented research on the needs, behavior, and challenges hindering active economic participation and agency of women and youths | 2 | 1 | 1 | **Research Agencies**, Local and International Universities, TBA, TAMFI, UNCDF, FSDT |
| | | | | |
| **C. Support of the development of housing finance legal and regulatory frameworks** | | | | |
| Support the Ministry of Finance and Planning in developing a housing finance framework | 3 | 2 | 1 | **Ministry of Finance and Planning,** Bank of Tanzania, TMRC |
| Nudge the Women Affairs Committee under the NFIF to elevate the need for housing finance for women | 2 | 1 | 2 | **Bank of Tanzania** |

| | | | | |
|---|---|---|---|---|
| Support in the review / revamp national master plan and NFIF to create a credit allocation quota for housing finance (including for women and youth) | 3 | 3 | 3 | **Ministry of Finance and Planning,** Bank of Tanzania |
| | | | | |
| D. **Support in the review and revamp of policies that affect land ownership and human settlement** | | | | |
| Support the Ministry of Lands, Housing and Human Settlement in the review and revamp of the process and cost for issuance of title deeds | 2 | 1 | 1 | **Ministry of Lands, Housing and Human Settlement Development,** TMRC, NHC |
| Support the ongoing revamp of the Tanzanian Gender Policy | 2 | 3 | 3 | **Ministry of Community Development, Gender, women, and Special Groups,** TMRC |
| **E. Support in the development of financial literacy and behavior change campaigns** | | | | |
| Support market actors in delivering financial new or improved financial literacy programs (including Housing Finance) targeting women and youth | 2 | 2 | 1 | **Financial Service Providers,** Media,Bank of Tanzania, TMRC |
| Support in the deployment of behavioral change programs that seek to resolve women and youth barriers of taking up housing finance solutions | 1 | 3 | 3 | **TBA,** TAMFI, Bank of Tanzania, TMRC |
| **F. Support initiatives that complement credit profiling of women and youth** | | | | |
| Support initiatives to develop alternative credit/client assessment approaches for thin filed clients (women and youth) | 3 | 2 | 1 | **Credit Reference Bureau,** FinTech's |
| Support initiatives for open data sharing in the market | 3 | 3 | 3 | **Ministry of Information, Communication and Technology**, Ministry of Finance and Planning, Bank of Tanzania |

## 7.0 Intervention's Impact and Ease of Implementation

**Impact and Ease of Implementation Matrix**




### Interventions

| | |
|---|---|
| 1<br>2 | **A. Support market players in the designing appropriate housing finance solutions**<br>• Capacitate FSPs and regulators with skills that will support them in the development of market solutions – policies and products<br>• Facilitate the development and scaling-up of housing finance solutions/models for women and youth (including organized groups of women and youth) |
| 3<br>4 | **B. Support R&D programs that seek to unlock housing finance solutions aimed at women and youth**<br>• Support action-oriented research and analysis on models which will result in higher uptake and usage of housing finance among less educated women and youths<br>• Support action-oriented research on the needs, behavior, and challenges hindering active economic participation and agency of women and youths |
| 5<br>6<br>7 | **C. Support of the development of housing finance legal and regulatory frameworks**<br>• Support the Ministry of Finance and Planning in developing a housing finance framework<br>• Nudge the Women Affairs Committee under the NFIF to elevate the need for housing finance for women<br>• Support in the review / revamp national master plan and NFIF to create a credit allocation quota for housing finance (including for women and youth) |
| 8<br>9 | **D. Support in the review and revamp of policies that affect land ownership and human settlement**<br>• Support the Ministry of Lands, Housing and Human Settlement in the review and revamp of the process and cost for issuance of title deeds<br>• Support the ongoing revamp of the Tanzanian Gender Policy |
| 10<br>11 | **E. Support in the development of financial literacy and behavior change campaigns**<br>• Support market actors in delivering financial new or improved financial literacy programs (including Housing Finance) targeting women and youth<br>• Support in the deployment of behavioral change programs that seek to resolve women and youth barriers of taking up housing finance solutions |
| 12<br>13 | **F. Support initiatives that complement credit profiling of women and youth**<br>• Support initiatives to develop alternative credit/client assessment approaches for thin filed clients (women and youth)<br>• Support initiatives for open data sharing in the market |

## Intervention's Matrix Key Takeouts

i. High Impact, Easy to Implement: Interventions such as intervention3 is located in the top-right quadrant, indicating that it has both high impact scores and is relatively easy to implement. This intervention should be prioritized as it offers significant benefits and its feasible to execute.

ii. High Impact, Medium to Implement: Interventions such as intervention5 and intervention12 indicating that they have high impact scores and are relatively medium to implement. These interventions can be considered for implementation based on the available resources and priorities.

iii. High Impact, Challenging to Implement: Interventions such as intervention2, intervention7, intervention8 and intervention13 have high impact scores but are relatively challenging to implement. These interventions may require additional resources, coordination, or stakeholder engagement to overcome the implementation hurdles.

iv. Moderate Impact, Easy to Implement: Interventions such as intervention1, intervention4 and intervention6 have moderate impact scores but are relatively easy to implement. These interventions can be considered if there are additional resources available or if they align with specific goals or strategies.

v. Moderate Impact, Medium to Implement: Interventions such as intervention10 has moderate impact scores but also its medium ease to implement. This intervention has the potential to make a meaningful impact while being relatively manageable to implement, making it a suitable choice for resource allocation.

vi. Moderate to low Impact, Challenging to Implement: Interventions like intervention9, and intervention11 have moderate to low impact scores but are challenging to implement. Thus, it should be considered carefully whether the potential impact justifies the required efforts and resources.

## 8.0 Conclusion

In conclusion, the research study has identified significant needs and barriers preventing women and youth from accessing and using housing finance in Tanzania. The study findings highlight several key issues on the demand side, supply side, rules and regulations side, and supporting functions side that contribute to the limited access to housing finance for these demographic groups.

The main primary demand-side constraint in the housing finance market for women and youth in Tanzania is the low levels of awareness and uptake of housing finance solutions for women and youths. The research findings indicate that a significant majority, more than 8 out of 10 individuals, are unaware of the available housing finance options. This lack of awareness prevents potential borrowers, particularly women and youth, from accessing the financial resources needed to secure affordable housing. Furthermore, only 15% of the target segments have knowledge of housing finance options specifically designed for women and youth.

This limited awareness contributes to a low level of uptake, as evidenced by the fact that only 1% of the eligible target segments have taken up housing finance solutions. This lack of understanding and utilization of housing finance options demonstrates the urgent need for comprehensive awareness campaigns, financial education initiatives, and targeted outreach programs to empower women and youth with the knowledge and resources necessary to access and benefit from affordable housing finance opportunities.

On the supply side, the main constraint in the housing finance market in Tanzania is the limited number of players developing housing finance options specifically designed for women and youth. The research findings indicate a heavy focus on mortgages as the primary means of offering housing finance solutions in the Tanzanian market, which may not effectively cater to the unique needs and circumstances of women and youth. Moreover, there is a lack of capacity among financial service providers (FSPs) to drive housing finance targeting these segments.

This constraint is further compounded by a low-risk appetite among FSPs to serve the women and youth market, creating barriers to accessing suitable housing finance products. The lack of information and data on available opportunities in housing finance for women and youth exacerbates the problem, making it difficult for potential borrowers to navigate the market. Additionally, there is a general low appetite in the housing finance market in Tanzania among financial service providers, leading to limited options for women and youth seeking housing finance. Addressing these supply-side constraints requires fostering a supportive ecosystem that encourages FSPs to develop innovative and inclusive housing finance solutions, strengthening their capacity to target women and youth, and improving the availability of information and data to facilitate informed decision-making.

The main rules and regulation constraint in the housing finance sector in Tanzania is the lack of specific rules and regulations that nudge financial service providers to allocate credit specifically for housing finance for women and youth. The research findings reveal a gap in the regulatory framework that fails to establish clear guidelines for financial institutions to prioritize and allocate credit for housing finance purposes. This lack of rules or strategies hinders the accessibility of housing finance for both women and youth. Additionally, there is a scarcity of affordable housing programs specifically targeting women and youth in the market. The absence of supportive policies and regulations that ensure the allocation of housing finance credit to these vulnerable segments further exacerbates the challenge of accessing suitable and affordable housing options.

Addressing these rules and regulation constraints would involve the development and implementation of comprehensive policies and regulations that require financial service providers to prioritize housing finance and allocate credit specifically for women and youth. Such initiatives would foster inclusivity and affordability in the housing finance sector, ensuring that these segments are not left behind in their pursuit of adequate housing.

Insufficient support programs, lack of data/information, and low coordination among stakeholders also contribute to the challenges faced by women and youth in accessing housing finance.
Lastly, the main function constraint in the housing finance sector in Tanzania is the inadequate availability of data and information on the housing market, housing finance market, and the specific target market segments, namely women and youth. The research study reveals a significant gap in the understanding of the housing market dynamics, including the demand and supply of housing finance products and services. Insufficient data and information hinder the development of tailored housing finance solutions that effectively address the needs and preferences of women and youth. Without accurate and comprehensive data, it becomes challenging for stakeholders to design and implement appropriate strategies, products, and programs that promote inclusive and accessible housing finance options.

Addressing this support function constraint requires increased efforts in conducting comprehensive studies and research specifically focused on housing finance and its targeting of women and youth. By generating robust data and information, policymakers, financial service providers, and other stakeholders can make informed decisions and design evidence-based interventions that contribute to the development of a more inclusive and effective housing finance sector in Tanzania.