# Contribution of Real Estate Investment towards Sustainable Economic Growth in Urban

Anthony Nyangarika and Zacharia Joseph Ngasa

Department of Adult and Continuing Education Studies, Institute of Adult Education,
P.O. Box 20679, Dar es Salaam, Tanzania

## ABSTRACT

*The Tanzanian housing sector's fast-growing demand is mainly driven by the fast-growing Tanzanian population which is estimates to be 53.47 million and that is expected to more than double by 2050. The study using Quantitative and qualitative data. The researcher was collect data through questionnaires and interviews. The researcher used the Statistical Package for Social Science Research (SPSS) version 19th for data analysis. The Tanzanian housing demand has also been boosted by easier access to mortgages, with the number of mortgage lenders in the market increasing from 3% in 2009 to 21% in 2015 and the average mortgage interest rate in Tanzania falling from 22% to 16%. The analysis revealed the existence of abundant opportunities such as the rapid growth of many cities in Tanzania has risen many contributions, especially in major cities. The study findings show that the government had put in place good number systems in place such as taxation policies, infrastructural development among other legislation however implementation was still limited. It emerged that the policy environment is highly controlled by people who have money and political goodwill. The study observed that with the elimination of these policies there is a modest chance to alter the real estate investment to operate at their social efficiency level.*

**Keywords:** *Real Estate; Investment, Marketing; Economic Development; Housing Demand; Tanzania.*

## 1. Introduction

Tanzania has a predominantly rural population with only 31% of the population urbanized, but the country's rapid urbanization rate estimated at 5.39% in the period 2013/2014 and above the average of 3.9% for African cities in the last decade, constitutes the main factor driving development of the real estate sector in the country, mostly focused on the commercial capital Dar es Salaam, but also on other major urban centres such as Mwanza, Dar es Salaam and Mbeya, due to growth in agriculture, mining and tourism sectors. Tanzania counts with one of the youngest population in the world with an average age of 17.3 years which is expected to increase to 22.2 years by 2050 and that represents a high potential growth for Tanzania's real estate sector as this segment of the population is the largest borrowers in the country.

Real Estate in Dar es Salaam, Tanzania's commercial capital and Africa's fastest growing city, has a current population of about 4.3 million which is expected to quintuple to about 20 million by 2050. Housing price per square metre averages USD 1,200 in Dar Es Salaam versus USD 1,235 in Nairobi, Kenya while the rent of one-bedroom apartment in the city center is around USD 775.3 a month in Dar es Salaam versus USD 444.5 a month in Nairobi. The concept of absolute ownership of land is not recognized in Tanzania, where people have however the right to use and occupy the land in accordance with the approved use. Foreign companies and individuals wishing to have rights to occupy and use land can only do so by acquiring derivative rights, applying to the Tanzania Investment Centre (TIC) or to landowners who have been granted right of occupancy.

Real estate market is one of the precise essential factors for country's economy. It is a remarkable field of exploration both at macro and micro levels. On the macro level, the real estate market is closely connected with financial and real sector of economic development; while micro level real estate market is viewed as the framework of consumer behaviour analysis Nyangarika et al., (2020b) and (Wang, 2003).

In developed countries, real estate is used for investment portfolio diversification, with closer connection with the stock market, and investment portfolio information. It was observed that real estate market conditions make important contribution to the micro and macro level economies with general economic cycle that enable analysis to find out its contribution to the economic development (Case, et al. 2001).

According to Huang and Wang (2004), Glascocla, et al. (2002) and Hilbers et al. (2001) macro factors that influence real estate market include: economic growth, population growth, income level and interest rate. The

Tanzania real estate report (2008); ascertains that over ten recent years, the Tanzania real estate sector has not made significant contributions to the Gross Domestic Product (GDP). The recent and planned projects development encourages the government of Tanzania to remain optimist that real estate will contribute to the country of economic sector and creation of investment opportunities to up lift the income and social welfare of the people.

The markets for investors in the real estate sector include: opportunities for the development of retail, office building, multi-family properties including students housing properties, distribution and warehouses facilities, lodging properties, medical office building and healthcare related facilities and triple-net single use properties (Knight, 2008).

Besides to this development; the pending passage of legislation that would govern estate agencies, that already amended by the Land Act and the Court of Tanzania to arbitrate the land disputes and plans to institutionalize housing financing. Further the report ascertains that the government continues hoping that the real estate sector in Tanzania will begin to actively contribute to the GDP growth, and it has taken several steps towards regulating the sector and the outlook remains promising. The development in construction services as well as increases in the overall population growth of the country have created a demand for real estate and the sector is therefore primed for investment (Tanzania Real Estate Report, 2008).

In Tanzania rental market practice is pro-landlord however, rents are freely determined. According to the Tanzania Real Estate Report (2008) advance payments can reach up to 6 months or one year, although the legal limit is only two months. Because the formal legal environment process can take years or decades to conclude, landlords often resorts to intimidation, threats and violence to evict tenants. Above that, access to land is complex and investors regularly encounter delays and non-transparent bureaucracy when attempting to purchase property and register title deeds (Denise, 2008). On the other hand, the demand for construction materials is increasing forcing the government to allow importation of these products and in some cases to waive duties on the importation of capital goods. For example, cement and steel materials are imported at low prices from China, Dubai and India (Denise 2008). There is a steadily increasing supply of townhouses, business premises and apartments in urban areas in Tanzania that put the real estate sub-sector under tremendous pressure (Knight-Frank, 2008). The study explores Contribution of Real Estate Investment and Marketing for Sustainable Economic Growth in Urban Tanzania

## 2. Material and Methods

Since Tanzania achieved independence in 1961 the population has grown from 12,313,000 persons in the first post-independence census in 1967 to 34,569,000 persons counted in the recent census held in August 2012. From 1980 to 1997, the urban population grew at a rate of about 10 percent per annum. Around 36 percent of the total population of 34,569,000 is currently living in urban areas, if population living in townships and trade centers is included. Dar-es-Salaam alone, the largest urban area in the country, is said to receive between 100,000 to 300,000 people a year. Here, land is informally acquired and in most cases it carries no legal evidence of ownership. Studies by the Ministry of Lands and Human Settlements Development have shown that about 80% of people in urban areas live in unplanned settlements. Much of the land in urban areas of Tanzania is obtained from the informal sector and has no legal documents (Kironde, 2003). Over the period from 1967 to 2002 the population has doubled every 20 years and the average rate of growth of the population has been 2.9 percent per year (Tanzania, 2003). Urban Tanzania is said to experience population growth of 30%.

Current studies indicate that about 32% of such dwellings could be classified as being in bad condition, 51% in fair condition and 17% to be in good condition. Lack of appropriate policies on housing development could have contributed to overcrowding in housing and poor housing conditions. Among them are those, which concern the acquisition of building plots, land title, building permit, housing credit facilities and the operation of the main stakeholders in housing development in the country. The process of acquiring a building plot and a building permit takes very long time and in most times it is discouraging. Similarly getting a title is costly and tiresome. Land title is necessary for mortgaging in order to get credit facilities for housing development. There are no formal housing credit facilities for housing in the country and main actors in housing development have not been playing their roles as expected Nyangarika et al., (2020b) and (Seleki, 2006).

According to Machira (2011), currently investments in office buildings form the bulk of real estate works in the country, and industry players say large opportunities also exist in the areas of retail, industrial and residential houses construction. But the experts have also cautioned that for the overall industry to prosper, a number of challenges need to be tacked, among them the issues of land registration and acquisition. Inter capital Group says that, for example, most of the lands in the country do not have value for real estate investment because they

lack accessibility, and the issue needs to be addressed in order to attract more real estate investors. Most of the land in Tanzania is not surveyed, making it difficult to determine its value for investment, especially in real estate development (The Citizen, April 2, 2011).

Experts such as Mgwabati, (2011), Nehemia (2007) and Ngowi (2010) indicate that ongoing dynamics of urban oriented development in Tanzania is likely to reinvigorate and sustain investors' interests in real estate works in a foreseeable future, but the right policies and institutions are needed to enable the sub-sector to realize its huge potential. Currently, investments in office buildings from the bulk of real estate works in the country and industry players say large opportunities also exist in the areas of retail, industrial and residential houses construction. However, experts have commented that for the real estate market to prosper, a number of challenges need to be tackled, among them is the issue of land registration and acquisition, land survey, land and property price in the major cities like Dar es Salaam, population growth and the involvement of brokers in the market.

Tanzania like many other countries in Africa in the past decade has made significant progress in undertaking significant structural reforms. Several state-owned enterprises have been privatized and basic infrastructures and capital markets have been established. This has also successfully implemented macroeconomic, political, and institutional reforms, but there are many that have yet to create the necessary conditions for fostering economic growth and investment. The country has extremely diverse resources, many of which remain unexploited.

Real estates have a bankable demand for credit, savings and insurance services. Insurance and access to income – smoothing financial services can contribute significantly to the rapid growth of the real estates while savings and credit facilities can help to make lump sum investments affordable and allocate resources to potential investments with the highest returns. Indeed, the central role that the financial systems play in most economic activities makes them an essential component of economic development. Yet the real estate developments have largely been neglected by the formal financial intermediaries. This neglect stems from distorted macroeconomic, sectoral policies, lack of economic and political power to boost entrepreneurship. However, empirical evidence reveals that financial services when properly targeted and implemented makes a remarkable contribution in the achievement of economic growth, inclusion and participation of all members of the rural population in economic development and in reducing the vulnerability of the rural poor to economic, physical and natural vagaries and shocks Nyangarika et al., (2020b) and (Kloeppinger- Todd Renate, 2004).

The rental markets in Africa have developed its own sophistication that have no analogy in western economies. Owing to pervasive inflation and possibly insidious landlord and tenant policies, landlords in the rental markets tend to demand key money or several months or years rent in advance on entry to offset subsequent decline in real rents (Rakodi, 2005). Those who cannot afford to honor these payments are then shunted to the slums where rental conditions are less onerous.

Presently, apart from these forces that have clearly forced some segments of the populace out of the real estate markets and hence seem to have kept investment levels low, intrusive government interventions in these real estate markets have also alienated some more from these markets. These policy-alienated actors may even include prospective institutional and commercial investors thereby slowing down the performance of the market. How this has come about could be understood from the origins of the policies.

It is common knowledge that policies, whether real estate or others, are the outcome of the political processes of respective nations. Whether or not these policy outcomes would lead to the creation of the requisite environment for real estate investment depends largely on the aptness of the ends and design of the policies. This section discusses the political relationship between government and opposition in colonial and postcolonial African regimes and the impact of the relationships on the ownership, control and distribution of land. Persistently, the African political processes that have given birth to the present regime of real estate policies have been characterized by the concentration of power in the hands of a minority in power, either through invasion, as in the colonial era, the creation of one party states, military interventions and despotism in the emergent democracies. This often monopolized political environment has tended to define policy ends generally much more narrowly than efficiency demands. This is because the monopolizations of the policy environment ultimately gave African governments a free hand to pursue, as it would to any rational monopolists, their private interest, values and ideological ends rather than the general good of the nations they govern.

This monopolization of policy environment largely dictated the mass of policies they design (Schtaz, 2002). This can be derived from the fact that the "economy did not occupy the center of attention of the political decision makers". Secondly, as Rimmer cited by Killick (2002, p.51) avers, these governments pursued policies which ensured "first, the enrichment of the government itself, (i.e. the ruler, Ministers, party leaders, top civil servants, and possibly numerous subordinate ranks of the public)". The result of this is that the allocation of the

resources that these policies affect, including real estate, became dictated not by economic considerations (which would have driven the growth of these markets) but by the mercies of those in charge. They are able to prevent some from gaining access whilst opening access to real estate resources to others, at their discretion. As a result, in most cases the prime beneficiaries of these policies tend to be the minority individuals and private firms favoured by the government of the day and their bureaucratic apparatus (Glickman, 2002). Indeed, those in favorable position enter into an ongoing cycle of regular social and political bargaining or negotiation in which a wide variety of resources can be drawn upon to establish advantage and authority (Chauveau, 2007). As far as the real estate sector is concerned, this is a process that is rooted in the colonial era and still flourishing today.

Real estate market and investment is an interesting field both at macro and micro levels. However, this development is faced with a number of challenges such as land disputes. According to the Chairman and Chief Executive Officer of Inter-Capital Group report (2012), most of the lands in the country do not have value for real estate investment because they lack accessibility, which make difficult to surveyors to determine land's value for investment for consideration by the real estate development. This was observed that real estate investment needs long term planning. Lack of unity in pricing in Tanzania is another obstacle to the development of real estate marketing sector. Currently the land value is overpriced, where half an area sells at about US$ 1000 (Exchange rate US$ is equivalent to Tsh 2,220 at 17th December, 2016. Therefore, there is a need to analyze factors and challenges facing real estate marketing and investment hindering the economic development of the urban Tanzania. Denote to the above analysis; it was observed that real estate marketing faced challenges to prosper in Tanzania; such as the issues of land registration and acquisition, infrastructures, and patterns demographic growth. This study determines Contribution of Real Estate Investment and Marketing for Sustainable Economic Growth in Urban Dar es Salaam, Tanzania.

The study findings contribute and provide good understanding and knowledge to real estate stakeholders, policy makers and other practitioners for real estate marketing and investment opportunities in Tanzania. It provides useful and accessible information for the scholars for real estate development in Tanzania. It helps scholars to addressing the identified challenges and access the possible opportunities within the real estate market and investment issues. To real estate investors, it facilitates and help them to understand challenges and how to manage real estate investment in Tanzania. The findings proposal an output to policy makers of the local government organs on issues related to real estate development from the individual level, company level, corporate to public real estate management in business process. Having investigated the problem from individuals at the grassroots level, the results will be useful in addressing social and economic development from real estate market and investment. The findings enable the researcher to recommend the manners in which local real estate's agents, brokers and consumers and offer to them chance to compete and get more profit leading to economic development of rural- urban areas in Tanzania

## 3. Methods

This study used a descriptive based research that analysed factors and challenges facing real estate marketing and investment prospects, this study used of both analytical and descriptive approaches for result discussions. The study will be carried out in Dar es salaam, Tanzania. The population of this study comprises of all real estate in public and private sectors such as brokers, management, investors, real estate company. Municipality. The primary research subjects shall be individuals i.e. entrepreneurs and investors who would intend to develop real estate. The study proposes a sample frame of not less than 100 people to be interviewed within Dar es Salaam municipality to represent the business community in the city. The secondary subjects were the government and its various organs and agencies as Tanzania forms the research area of the study. Information was collected on how this government and its mechanisms influence the real estate development process. Additionally, considerations were given to the private sector such as entities that provide banking services, legal services, designing & construction services etc.

## 4. Results

Real estate effectiveness and efficiency by ensuring that the government put in place relevant policies to monitor real estate business, the respondent's perception were captures as shown in Figure 4.1. A moderate proportion of 35% (always) respondents were in support that it is necessary to put in place relevant policies to monitor real estate business. This was followed by 21% respondents (frequently) and 31% respondents (sometimes). On the opposite side of the scale 3% and 5% indicated for seldom and never casting doubt on the ability of the government to set in pace such policies.
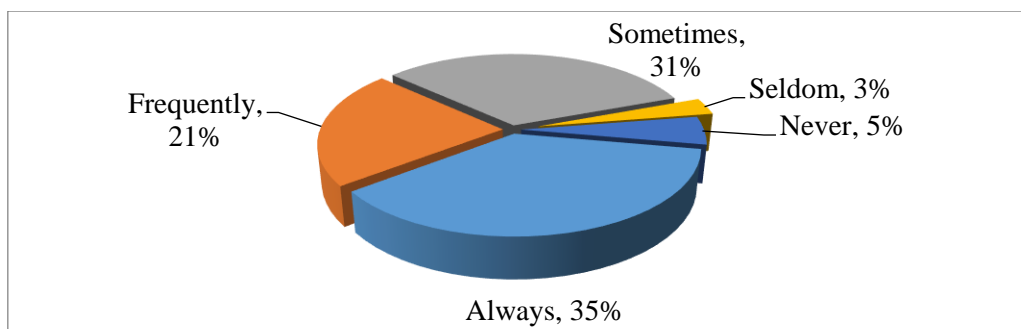
**Figure 4.1: Putting in place relevant policies to monitor real estate**

On the perception that the government should establish appropriate legislation to administer real estate business, the results show that 24% and 43% respondents were in agreement and indicated always and frequently respectively clearly demonstrating the central role that appropriate legislation would play in improving effectiveness and efficiency of the sector. In the contrary 22% respondents remained neutral while 2% indicated seldom downplaying the importance of the registrations in shaping the business with the sector.

It was also established that one of the critical pathways for improving effectiveness and efficiency in the real estate sector is by ensuring that unnecessary bureaucracy for registering title deeds are avoided. This was confirmed by over 67% respondents comprising of 37% who indicate always and 26% respondents who reported for frequently. At the same time 27% respondents were neutral (sometimes) implying level of uncertainty about the impact of removing the bureaucracy especially in registration of title deeds. A small proportion of 6% however distinctly indicated that the process can never yield the intended result of improving effectiveness and efficiency in the sector.

Table 4.1 also features aspect of proper and viable infrastructures as a way of improving effectiveness and efficiency in real estate business. From the Table 4.1 respondents 68 were in agreement on the role of developing infrastructure in order to support the sector. This was made up of 51% respondents who were total agreement and indicated always and another 17% for frequently. In the same vein 18% respondents were neutral (sometimes) while 6% respondents were observed to be pessimistic as to whether infrastructure development would yield the intended objective. From the results it can be rightly concluded that issues of infrastructure are critical measures in tackling the impediments in the real estate sector and all necessary efforts should be directed to developing the infrastructure within the country.

**Table 4.1: Factors for improving effectiveness and efficiency in real estate**

| Distribution | Assessment Scale | | | | |
| --- | --- | --- | --- | --- | --- |
| | *Always* | *Frequently* | *Sometimes* | *Seldom* | *Never* |
| The government should establish appropriate legislation to administer real estate business | 24% | 43% | 22% | 2% | 0 |
| The government need to ensure that unnecessary bureaucracy for registering title deeds is avoided | 37% | 26% | 27% | 0 | 6% |
| The government need to ensure that proper and viable infrastructures are in place to provide support in real estate business | 51% | 17% | 18% | 6% | 0 |

On a different note the survey sought respondent's opinion on the government's action to ensure that all un-surveyed land is surveyed which has been a contentious issue in the several years in various sectors of the economy. Results confirm a strong standpoint the over 67% respondents are positive that the process surveying land is a sure way of improving effectiveness and efficiency in the sector as shown in Figure 4.2. This comprised of 37% who mentioned always and another 33% respondent who indicated frequently. About 15% respondents maintained a middle ground by indicating sometimes while 8% respondents reported for seldom which portrays the impending survey of land to have a lesser impact on improving effectiveness and efficiency in the real estate sector.
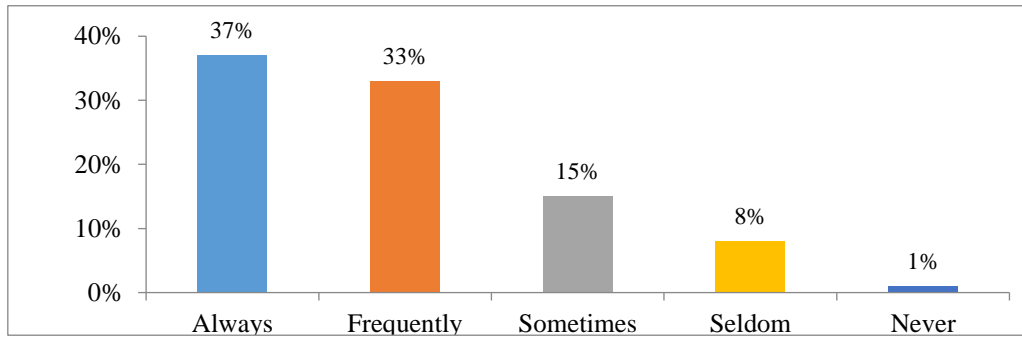
**Figure 4.2: Un-surveyed land is surveyed**

Question four which is the last item in part three and the study examined the respondent's perception on the Real Estate Marketing and Investment management for economic development of Dar es Salaam. The analysis made use of 5-point measurement scale across 5 key issues which included management of brokerage system, land survey system, rental prices, infrastructure and legislations processes. Results are discussed below.

Management need to ensure that brokerage system is controlled; from the previous sections the study established that the role of brokers and brokerage system in the real estate market can never be ignored. In this section aspects of brokerage were reviewed further and it was established that there exists a great need to inject proper and systematic management of the system to ensure the brokerage is controlled as illustrated in Table 4.2. In fact, over 94% respondents concurred with the idea of management of the system. This comprised of those who indicated always (48%) followed by frequently (36%) while 10% were noted to be neutral. It was interesting to note that none of the respondents was in disagreement or perceived the status quo as an option of streamlining the sector.

The management in this regard would take the form of ensuring that the brokers are well identified and operates from a well-defined office location, improving communications, training on sales and lead management, insurance and risk management.

**Table 4.2: Real Estate Marketing and Investment Management**

| Distribution | Assessment Scale | | | | |
|---|---|---|---|---|---|
| | *Always* | *Frequently* | *Sometimes* | *Seldom* | *Never* |
| The management need to ensure that brokerage system is controlled | 48% | 36% | 10% | 0 | 0 |
| The management need to ensure that un-surveyed land is surveyed | 33% | 38% | 20% | 0 | 0 |
| The management need to ensure that rental prices are administered | 64% | 16% | 9% | 2% | 0 |
| The management need to ensure that the infrastructure is improved | 47% | 25% | 23% | 0 | 0 |
| The management need to ensure that the existing real estate investment legislations are reviewed to suit the today's real estate business | 66% | 12% | 10% | 2% | 2% |

On the needs to ensure that un-surveyed land is surveyed, results in the table shows majority of the respondents are in favour of improving the management system to cater for the positive intensions of improving the sector. In particular, 33% indicated that that is always the surest way in turning around the sector. This was followed by 38% respondents who indicated frequently and 20% sometimes. If the perceptions are anything to go by, the government needs to step up efforts to ensure that the vast land which is un-surveyed and quickly survey and people issued with titles as a way of stimulating long term commitments on the land such as real estate development. Another key area of concern is the need for strong management to ensure that rental prices are proper administered. From the results majority of the respondents (64%) reported that it is always prudent to enforce laws that would control the rental prices in order to protect and guide the price function in the sector. This would also protect the unsuspecting customers of real estate products and services. This was followed by

16% who share the same view however indicated frequently. Other measures were sometimes (5%) and seldom (2%).

Aspects of infrastructural developed also featured and it was established that there is a strong need for an affirmative action the government to improved infrastructure as confirmed by 47% respondents (always) and an estimated 25% (frequently). The two leading perception are a clear indicators of the desire to drive change in the management system and a catalyst to improving the sector. Moreover, 23% respondents were also of the opinion that such improvements in infrastructure would occasionally enhance the performance of the real estate sector.

On the last parameter, respondents were asked their views on management to ensure that the existing real estate investment legislations are reviewed to suit the today's real estate business. From the results presented in Figure 4.3, majority of the respondents (66%) certainly sure that improving legislation systems would always be positive in realigning the sector to conform to the current business needs. This was followed by 12% respondents who indicate frequently confirming an equally stronger support for ensuring proper management of legislation systems. Otherwise, 10% respondents were neutral (sometimes) while an equal proportion of 2% seemed to disagree that management of the legislation process would hardly of never yield the required changes in the real estate business environment.
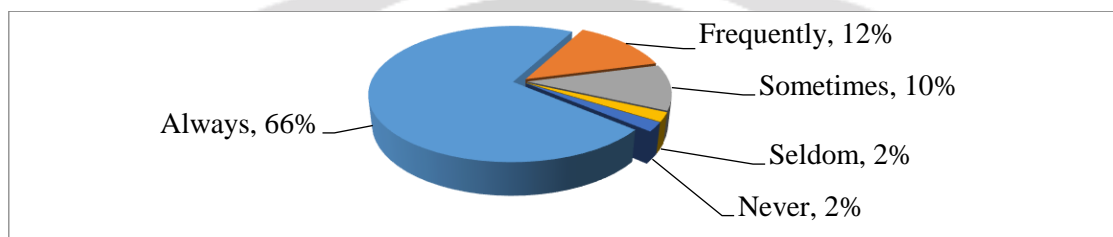


**Figure 4.3: Perception real estate management of legislation**

This hypothesis sought to establish the relationship factors affecting real estate marketing investment and challenges facing real states for economic development of Dar es Salaam. Null Hypothesis ($H_0$); There is no difference between factors affecting real estate marketing investment and challenges facing real states for economic development of Dar es Salaam. Alternative hypothesis ($H_1$); There is difference between factors affecting real estate marketing investment and challenges facing real states for economic development of Dar es Salaam. In testing the relationship, the Correlation Coefficient and the Bi-variate Correlation test were used. The results are presented are shown in Table 4.4.

**Table 4.4: Testing relationships using Bi-variate Correlation**

|  |  | Challenges facing real estate | Economic growth and development |
|---|---|---|---|
| Challenges facing real estate | Pearson Correlation | 1 | .369 |
|  | Sig. (2-tailed) | . | .001 |
|  | N | 84 | 84 |
| Economic growth and development | Pearson Correlation | .369 | 1 |
|  | Sig. (2-tailed) | .001 | . |
|  | N | 84 | 87 |

* Correlation is significant at the 0.01 level (2-tailed)

From the results of the correlation analysis the following issues were evident. The analysis used factors affecting real estate marketing investment as independent variable which was perceived to have either positive or negative effect on the economic development of Dar es Salaam which was treated as the dependent variable. The Pearson Correlation assumed that the data were normally distributed thus measured linear association between two variables. The results of the correlation had a positive sign. This implied that the correlation was positive in this case meaning that there was a positive relationship between two variables. Absolute values indicate the strength of relationship; in this case the strength of 0.369 was is moderate. Therefore, the study concluded that there is a difference between factors affecting real estate marketing investment and challenges facing real states for economic development of Dar es Salaam. Hence the study accepted the null hypothesis ($H_0$) and dropped the alternative hypothesis.

The study on challenges facing real estate marketing and investments clearly shows that the sector has a great economic implication in the Government of Tanzanian's National Poverty Reduction Strategy. It was revealed from the analysis that there exists abundant opportunities such as the rapid growth of Dar es Salaam city, its international recognition, increase in the demographic characteristics etc all which has catalysed the demand for real estate development. From the finding it is evident that such opportunities for development are benefit factors which cannot be an impediment as was demonstrated by over 73% respondents.

The finding further pointed out several challenges which exist within the sector that reduces the positive gains in the sector. These include pertinent issues of land allocation and registration which was reported by majority of respondents (69%) to be ambiguous and infringe into peoples' rights ownership of land. In fact, the practice of land ownership in the country is still the traditional trustee and allocation given for 33, 66, or 99 year leases. The study in no doubt established that such ambiguous rights to land ownership (registration) are a detrimental to the long-term objectives of real estate investments.

The changing population structure over time in Dar es Salaam was also featured to have stimulated a high demand for real estate development as was exhibited by high proportion of respondents never (58%) regarded population growth as a challenge. According it is in the view of the research that the rapid population is a remarkable opportunity that investors should take advantage of to improve the sector in terms of creation and establishment of modern real estates in the region.

On economic factors such as Interest Rates, Government Policies and Economic Growth, the findings demonstrated that real estate investors and consumers alike are weary of the high unregulated interest rates which poses serious challenges in the sector. The uncertainty associated with interest rates increases the risk associated with investment in real estate markets where in Dar es Salaam, commercial bank interest rates on loans average between 18-30 percent which too is high and have a great potential in reducing economic growth because the economy needs a certain level of savings to finance investments.

Similar sentiments were echoed in respect to high unpredictable pricing in the sector which is gradually forcing many people in Dar es Salaam to seek alternative properties especially for housing in order to cut on cost for leasing/renting. Evidence from the study also show that a cross section of people who enjoyed that real estate facilities such as offices also slowly relocating to the outskirts of the city including establishing offices in residential areas. Creating an enabling environment and regulatory frameworks for the development the estate is paramount. The study exposed that regulatory frameworks have significant challenge to the real estate marking and investment which include land acquisition and registration process, business registration, taxation etc all with a high degree of effects.

Another key area of study focused on challenges facing Real Estate Marketing in Economic Development of Dar es Salaam. First in this category was aspects of increased rental values and consumer preference (76%) which was noted to play an important role in determining the nature and type of real estate investment and subsequently influencing economic development. From the analysis the study safely concluded that consumer preference as a concept demonstrates the power and ability to demand greater satisfaction in products and services which are treated positively result into great opportunity. Findings also points out on the presences of vast un-surveyed land with resultant effects on limiting people's ability to own and pose title deeds of any piece of land. This is a serious challenge which has serious economic implications hence it needs to be tackled to empower and protect people (investors) enabling them to have long term commitments on the land they own (Nyangarika et al., 2020c).

Another major finding of the study was in relation to Land Value and Taxation Policies. The study exposes a growing discomfort among majority of the people in the sector about the high taxes and land value which currently always (68%) affects the operations in terms of real estate marketing and investment. The high land values and taxes renders people fate less in as far of seeking their own property is concerned. Moreover, Dar es Salaam region has witnessed an influx of immigrants especially by foreigners most of whom work with international companies and organizations such as ICTR, African Court, East Africa Community, Gemstone companies thus capitalize on the power of their income to acquire land at higher prices making the domain a preserve for the rich. Land holds a distinctive place in the development of economies. Although land taxation is the type of socialization used to generate revenue from whole value of real estate which combines land, buildings, and improvements are still considered high and discourage investors from venturing into the sector thus slowing the economic growth of the country.

The role of brokers and brokerage system in the real estate market was highly recognized. Their main roles and responsibilities was to act as intermediary between real estate investors and the customers of real estate/real property. As a result, brokers play a significant role in the sector   and currently they have a serious influence which is fast changing the landscape of real estate. Thus there is a great need of management nature to ensure

that brokerage system is controlled which can take the form of ensuring that proper identification and licensing of brokers, operation well defined from reliable office location, improving communications and offering them training on sales and lead management, insurance and risk management.

The study further exposed a need ensure proper management is put in place in order to improve the real estate marketing and investment for economic development. These includes rapid affirmative action to survey the un-surveyed and issuing titles accordingly. This should be coupled with management to ensure that rental prices are proper administered (64%) to protect the unsuspecting customers from exploitation. Aspects of infrastructural development (72%) also play a critical linkage in the development. Efforts should focus on improving the capacity of the investors to mobilize financial resources and to invest in various real estate activities. Fundamental issues such as land and tax reforms were identified as major focus of this study and an integral part of the strategy for economic development.

## 5. Conclusions

On the relationship to economic development the study found that although the government had put in place good number systems in place such as taxation policies, infrastructural development among other legislation however their implementation was still limited which was indicative of lack of good will to expedite the process. Similarly, the practice of business strategic management was still low depicting luck of awareness of the importance of offering strong guidance in the sector in guiding growth and development, regulating policies, mitigating bureaucracies, enforcing laws for land adjudication and survey and improving the general infrastructure to provide support to real estate. The study also identified various opportunities for growth and development of real estates in Dar es Salaam regions especially the ever growing pollution of the city, enormous natural resources, occupational and educational background of the people and rural urban migration. The status of Dar es Salaam as a major tourist destination, headquarters of East African Community (EAC) and United Nations Organization International Court Tribunal of Rwanda (ICTR) also presents it a comparative advantage in terms of creation of markets and ready access to people with technical expertise to support the real estate marketing and investment. The study also recommends improved infrastructural development including roads, communication, energy resources, water resource and improved security among other important services that promote investment culture. There is need for an affirmative action to regulate real estate pricing, rental values to attract more local participations/clients thus be able to generate more revenue to facilitate capital accumulation, financial sustainability and economic growth. In relation to the technical nature of the real estate business especially the marketing and investment components, the study recommends that pro-active measures are needed to inject professionalism in the sector and need for implementation of real estate management systems. Aspects of accessibility and communication were observed to play a critical role in shaping the way real estate marketing and investment, in this regard there is a need to improve both internal and external information systems to enable real estate operators and stakeholders understands emerging issues such as new policies, tax parameters, regulatory frameworks and take appropriate actions. Another strategic recommendation is to enhance the capacity of the real estate investors to innovate in order to develop customer friendly products and services which meet the needs of the consumers taking into consideration that the business environment is competitive and consumers are quiet knowledgeable thus demand to get larger product diversity. Thus consumer preferences and demand in the real estate sector in the future cannot be ignored. Improving real estate operations would demand use of modern technology in the context of use of modern information technology to enhance management and governance.

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