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Self-Build Housing and Urban Development

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Key Points

- Self-build housing generates improvements in the housing stock and urban neighbourhoods over time.
- Policy-makers facing the challenge of spontaneous urban development could find ways to support residents' building efforts, for example by expanding and devolving planning systems or tools to ward or mtaa levels.
- Self-build housing also provides opportunities for businesses, investors and policy makers interested in the local manufacture of construction materials, and employment for artisans.
- Self-build housing can also exacerbate social and spatial inequality. Policy-makers could mitigate this by concentrating efforts in neighbourhoods where needs are greater.

Self-Build Housing and Urban Development

In much of Africa self-building is the main way that urban neighbourhoods develop. Self-build housing creates assets and income opportunities that can enable residential and social mobility, while investments in other kinds of buildings such as frames, shops and services produces self-built neighbourhoods from high-density informal settlements to better quality residential neighbourhoods developed by higher income residents.

In Tanzania, the majority of the housing stock is self-built. Current policies frame self-built housing as a problem of poor quality and uncontrolled sprawl to be addressed through tenure formalization, urban re-development and densification and formal financial products such as mortgages or micro-finance. This research turns these assumptions on their head and asks instead, how does self-build housing drive urban development?

The Research

This policy brief is an outcome of the **Home Grown Growth in African Cities: How Housing Drives Urban and Economic Growth in Ghana and Tanzania** research project conducted by researchers based in Tanzania, Ghana and the UK, and the Economic and Social Research Foundation. The research investigated how the economy of self-build housing in urban Tanzania contributes to urban and economic growth. Accelerating urbanisation in established cities and small towns is driven by people acquiring plots of land and building houses gradually while renting space within them to lower income tenants and conducting businesses in and from housing. The research examined how this 'housing economy' operates in the absence of formal financial institutions, creating substantial opportunities for income, employment and asset generation which accelerates urban and economic growth.

Table 1: Census data for Bunju Ward and Ifakara Town, 2002-2022

Census Year	Bunju Ward, DSM Population	Bunju Ward, DSM No. of Households	Ifakara Town, Morogoro Population	Ifakara Town, Morogoro No. of Households
2002	20,868	5,344	[Ifakara District] 45,684	9,621
2012	60,236	-	106,424	-
2022	92,587	27,500	290,424	82,330
% Growth 2002-2022	344%	415%	-	756%
% Growth 2012-2022	54%	-	173%	-

(Sources: see below)

The research team examined the housing economy in two rapidly urbanising places in Tanzania: Bunju in northern Kinondoni Municipality in Dar es Salaam; and Ifakara, a recently created town council in Morogoro Region.

Bunju and Ifakara were chosen as study sites to represent self-build housing dynamics in Tanzania's largest city and a fast-urbanising agricultural town that is representative of many small urban centres in Tanzania (Table 1). The research design included a housing survey (76 individuals in Bunju, 45 individuals in Ifakara), and interviews with small businesses and artisans, house-builders and lower local government officials.

Key Findings

Self-building provides widespread opportunities for people to invest in assets that can be lived in, rented out, gifted, loaned, passed on as inheritance, or sold. Land and buildings are a significant mechanism of saving for many people in a context where:

- (a) people have to provide their own housing, and
- (b) there are limited alternative opportunities for investing savings.

In Bunju and Ifakara, residents have: built houses to live in or rent out; added rental rooms to their property (with shared facilities) or constructed separate rental spaces (with separate facilities); and they have constructed frames and shops for rent. Most of this construction is cash-based and incremental, and does not rely on formal financing from banks or micro credit agencies. This is a well-established mode of building that most people plan for and aspire to. It demonstrates that urban residents have the capacity and the motivation to invest in the built environment.

Self-build housing enables people at all levels to incrementally upgrade their living space over time, producing better quality housing that generates:

- (i) improved buildings and living circumstances;
- (ii) high demand for building materials such as roofing, doors and windows, internal- and external finishing materials; water supply and sanitation fittings; furniture; domestic appliances; decoration; and landscape gardening;
- (iii) skills acquisition mainly through Practice-Based Learning.

Ideas about what a 'normal' house looks like are changing (Table 2; Fig 1, Fig 2). An increasing number of households are investing in their homes by upgrading the materials they use for construction. In recent years a greater range of construction and finishing materials has become available at different price points. This provides more opportunities for higher quality, more comfortable living spaces, but it also introduces new ways in which socio-economic inequalities are expressed. For example, houses constructed with coloured roofing sheets, exterior paint or tiles and glass windows are considered to be higher quality than houses that are not painted and have plain roofing sheets in poor condition. External concrete walls around plots are also increasingly popular. As better off urban residents upgrade their homes, the gap between what people can afford to invest in their housing becomes more obvious, making socio-economic inequality more visible. Table 2 shows that in Dar es Salaam the percentage of households with corrugated iron roofing sheets has actually decreased slightly between 1991/92-2022, reflecting a widening socio-economic gap in the city.

Table 2: Construction Materials in Dar es Salaam and Ifakara, 1991/92 – 2022

Regions	% of walls of concrete, cement or stone 1991/92	% of walls of concrete, cement or stone 2022	% of roofing materials corrugated iron sheets 1991/92	% of roofing materials corrugated iron sheets 2022
Dar es Salaam	62%	96%	92%	89%
Ifakara	10%	76%	24%	75%

(Sources: see below. Note: data for Ifakara in 1991/92 is a national 'Rural' average; data for Ifakara in 2022 is the 'Morogoro' regional average. These data are used as illustrative only).

Opportunities to invest in property are widespread, but unequal. Those with more income are less likely to build spaces for rent in their own home or compound; but to build external frames, external buildings or entirely new/separate units, including in other locations, which provide steady rental income streams. In Ifakara, they also invest in agricultural activities. Higher earners are also more likely to be investing in multiple properties and businesses. In contrast, poorer residents rent out rooms or repurpose spaces in their own house. They are more likely to be tenants.

Recommendations

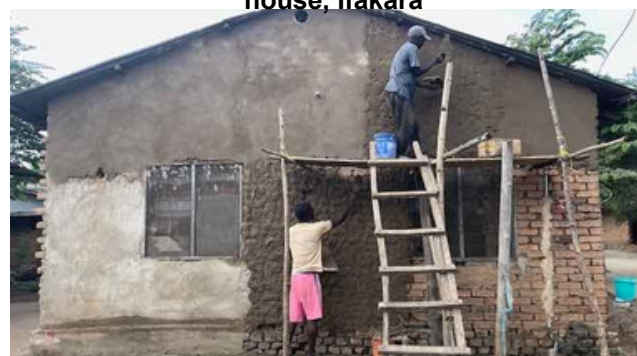
Policy discussions on land, human settlements and planning tend to pay more attention to urban form and land tenure than to housing. Incremental house-building, when it is addressed, is seen as a policy problem that gives rise to inefficient land use and urban sprawl. Or, it is seen as a symptom of a lack of access to formal finance.

We suggest instead that policy-makers lean in to this vibrant and well-established sector in order to maximise the opportunities that self-build housing presents for improving urban liveability and the urban economy. These include opportunities to facilitate the self-build housing sector through planning or infrastructure provision, planning neighbourhoods with residents, supporting local economic development and skills acquisition and employment in the construction sector.

Figure 2: Investments in Upgrading: Modern roofing materials, Dar es Salaam



Figure 1: Artisans plastering the outside of a house, Ifakara



These issues could be fleshed out in a dedicated national housing policy, but policy-makers must recognise that the opportunities of the housing economy intersect with other sectors such as finance, industry and trade, and education.

In order to maximise opportunities to develop neighbourhoods with self-builders, including the provision of public goods, municipal planning departments could consider expanding and devolving planners to ward level.

Discussion about urbanization and housing is often very technical, focusing on solutions around land, planning, fiscal devolution or governance arrangements. But there is also a problem of socio-economic inequality that has been growing in Tanzania in recent decades. Inequality has been captured in poverty rates and the gini coefficient, but it is becoming increasingly visible in towns and cities: in the different kinds of rooms and houses that people build, rent and occupy; in differential access to services such as sanitation, water and electricity, and social services such as schools and health facilities. Increasingly, these things are available if they can be paid for. With projected population growth and urban growth rates, socio-economic inequality in Tanzania's towns and cities is likely to remain challenging. Policy-makers might want to consider how the self-build housing sector could help to address rising inequality in Tanzania's urban built environments?

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