

**TANZANIA MORTGAGE REFINANCE COMPANY  
LIMITED**

**&**

**HABITAT FOR HUMANITY INTERNATIONAL**

**Housing Microfinance (HMF) Launch**

**March, 2026**



## Why HMF in Tanzania – the need for housing

- Population of Tanzania has grown from 44.9m in 2012 to more than 67m in 2022 (*an increase of **49%***)
- Tanzania has a backlog of 3 million homes, with demand growing by **200,000** homes annually (*40% of this is estimated to be in urban areas*)
- Tanzania's urban population increased from 34% in 2018 to 37% in 2021, and is expected to reach 49% by 2040 (*Urbanization rate of **4.88%***)
- **70%** of housing in Tanzania is self-built and many dwellings are built incrementally using self-help savings
- Habitat's HMF research showed; **50%** of respondents were planning to purchase land within the next two years (*home improvements - 28%, construct a home - 21%, or purchase one outright - 14%*)

## Why HMF in Tanzania – the need for housing

- BoT reports shows Number of mortgages reported by primary mortgage lenders by the end of year 2025 was very low **5,878** with outstanding debt of **TZS 744.68 Billion**.
- According to **census of 2022 by National Bureau of Statistics** there 38.5 percent need minor repair, 12.8 percent needs major repair, and 0.9 percent are not fit for human use (dilapidated).
- Results also show that one third (**33.3%**) of all buildings in Tanzania do not have legal land ownership documents, **24.8** percent of buildings have CCRO, **17.5** percent have Local Government documents and only **10.4** percent have title deeds.



## Why HMF in Tanzania – the need for housing

- A similar pattern is observed in Tanzania Mainland. In Tanzania Zanzibar, about a half (45.7%) of all buildings have been built on land that has no legal ownership documents while about a quarter (23.5%) have title deeds.

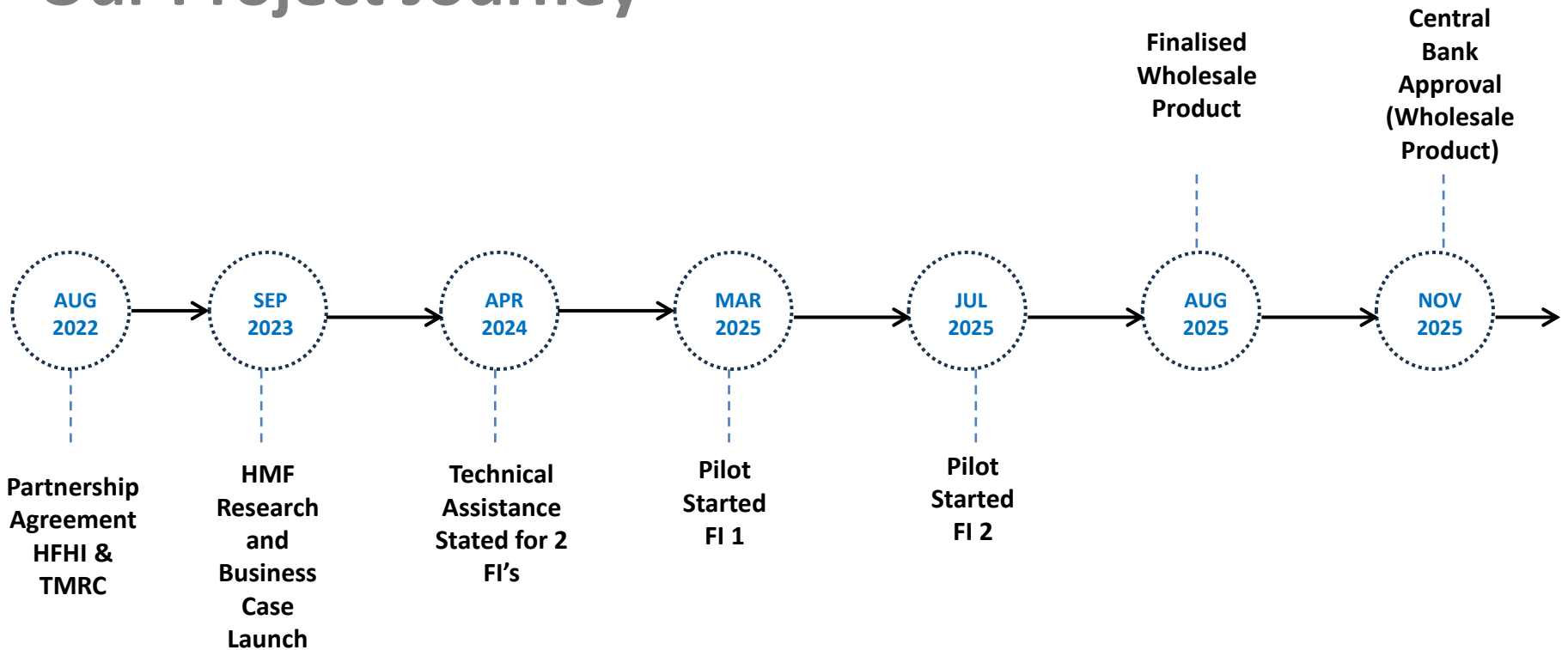


# Why HMF in Tanzania – Access to Housing Finance

**Despite Financial Inclusion reaching 76%, still access to housing finance is very low:**

- It is estimated that only 3% of the population can afford a mortgage (*estimates that only 2.5% of urban Tanzanian households can afford approx. \$16,000 (Tzs40m) needed for the cheapest formally built home*)
- Housing Portfolio is at **1.72%** compared to other credit to private sector issued by the banking sector.
- Mortgage to GDP Tanzania at **0.5%** (2025) among the lowest in the region. Kenya **1.86%** (2014), Uganda **0.53%**

# Our Project Journey





## The Retail Product

- Tailored products to provide fit for purpose solution on housing finance for microfinance sector
- Objective is to enhance home ownership and improvement to majority of Tanzanians (excluded from Mortgages)
- Two FI's developed different HMF products for different segments
- One focused on Agriculture Value Chain then other on MSME's



## Retail Product - Features

- **Amount:** A small size loan to cater for the need of securing and improving shelter for low-mid income households
- **Purpose:** Caters for all aspects of house construction as well as formalizing house ownership documentations
- **Process:** Simple and fast with a maximum TAT of 5 working days
- **Target Market:** low to middle income in rural, peri-urban and urban neighborhoods
- **Tenor:** up to 3 years
- **Repayment Frequency:** According to customer repayment capacity (can be weekly, bi-weekly or monthly)
- **Collateral:** Property to be financed through ownership documents
- **Disbursement Modality:** as requested by the client



## Wholesale Product

- Aims to catalyze broad access to housing microfinance loans for lower income families in rural, peri-urban and urban neighborhoods
- Encourage sustainability in construction methods and materials to increase the safety and security of living conditions for lower income families

### To achieve this:

- We will work with FI's to **increase public awareness** of housing microfinance loans and promote best practices in home improvement and self-construction
- **Expand eligible FI's** to include those with strong market presence outside of major urban centers



## Wholesale Product - Features

Tenor	Not to exceed 5 years
Use of Proceeds	Loans for the purpose of renovation, construction, addition or other improvements to a residence
Collateral	MHLs with a principal balance of not less than 125% of the refinance loan balance
Prefinancing	Permitted, with 20% MHL collateral and balance secured with cash or other low risk securities until 125% coverage is achieved
Eligible FIs	Member and non-member deposit taking FIs and Tier 1 non-bank FIs
FI exposure limit	Not more than 20% of total HML exposure



## Wholesale Product – Features contd..

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### Collateral requirement

All pledged loans must be secured by formal title or other acceptable forms of local government certified property rights OR group lending arrangements, OR other assets or guaranty approved in advance by TMRC.

### Reporting requirement

In addition to normal financial reporting FIs must provide the following reports:

- Quarterly Collateral Portfolio Status Report
- Monthly deployment report including applications received, approved and declined

## Project Successes

- Market research and Business Case developed
- 2 Retail FI's rolled out the HMF products
- TMRC's wholesale product developed and Approved
- Secured partnership with TiOB for rollout of HMF training program
- Secured Capital to refinance 2 FI's for the pilot

### Products Achievements

**Tzs**  
**1.6B**  
Disbursed

**0**  
NPL's

**100**  
Household  
Loans

**2**  
Retail  
Products



## Project Challenges

- How do we get more FI's involved in rolling out HMF products?
- How do we secure affordable capital to refinance more FI's
- How do we build awareness to the mass?



## Way Forward

- 3 more FI's will be onboarded for development and piloting of HMF retail product
- Kick-start HMF awareness programs/trainings in collaboration with financial sector stakeholders
- Starting to refinance built up HMF portfolios according to set up internal policies



**Thank you!**