



# GREEN BUILDINGS MARKET INTELLIGENCE TANZANIA COUNTRY PROFILE



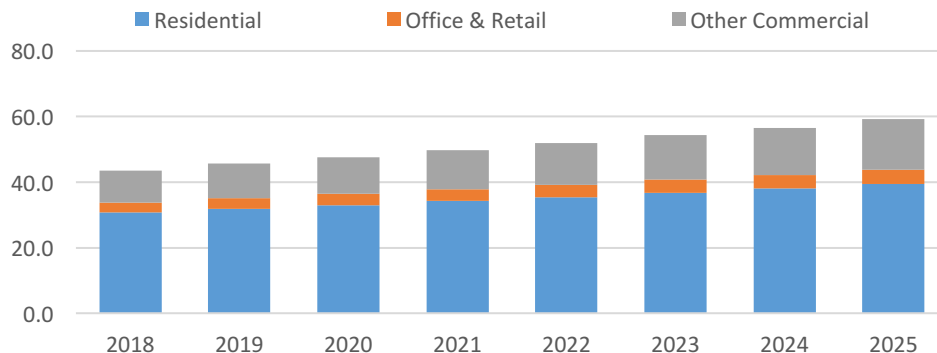
*Creating Markets, Creating Opportunities*

# TANZANIA: COUNTRY SUMMARY



## MARKET GROWTH

Building Stock (million m2)



Market through 2025

Total market

Green market

Commercial

USD 5.1 B

nascent

Residential

USD 7.6 B

nascent

Residential units

150,000

nascent



## CLIMATE POLICIES (NDCS)

- Agreed to reduce GHGs by 10%-20% by 2030.
- Environmental commitments and policies are primarily concerned with the conservation of forests and wildlife.



## MARKET STATUS

- National Housing Corporation reported \$400 million of on-going real estate projects to reach \$800 million by 2020.
- The listing of a new publicly traded REIT with a market capitalization of \$31 million.
- The current housing deficit is at ~3 million units.



## OTHER FACTORS

- 2017 projections show GDP growth to be ~7.1%.
- There are 54 banks providing financial services with mortgage rates at 19% over 25-years and at least 10% upfront.
- With a 5.4% urbanization rate, demand for affordable housing will be strong, especially with 31.6% living in urban areas.
- Cement prices are lower than the continental average, \$5.12 per 50-kilos.



## GREEN BUILDING PROGRAMS

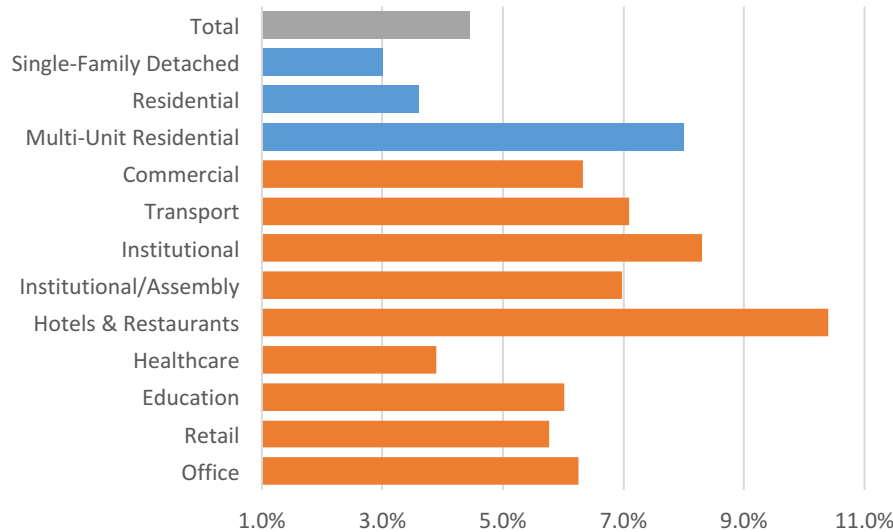
- Tanzania Green Building Council established in 2014.
- IFC's program is supported by regional coordinator.
- IFC has invested over \$21.8 million to green buildings.

Sources: Navigant Research, African Development Bank, World Bank, Centre for Affordable Housing Finance in Africa (CAHF), gbig.com, IFC staff



# GROWTH EXPECTED IN MULTIPLE SECTORS

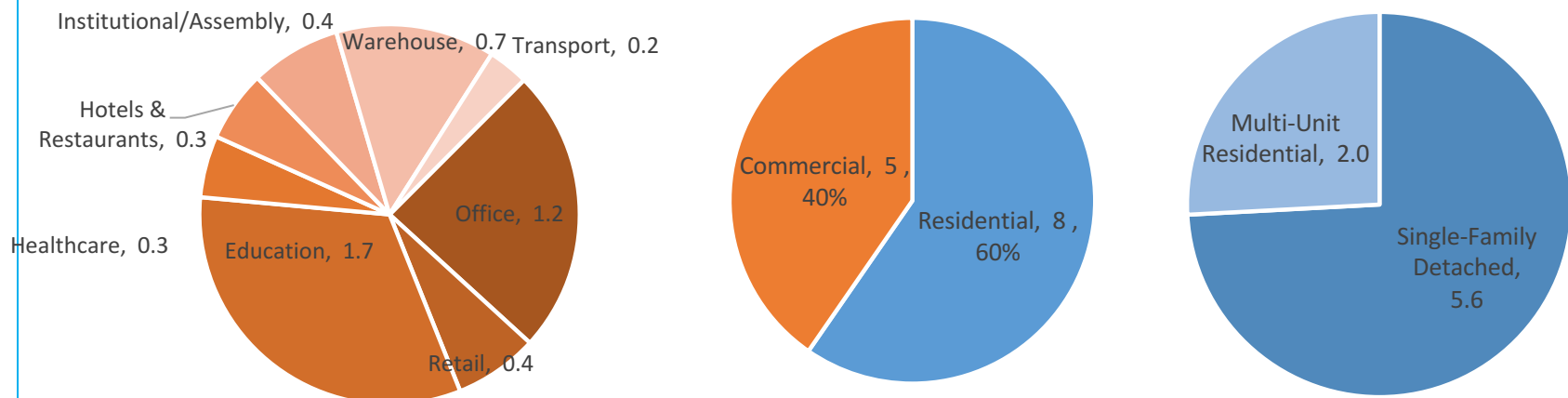
MARKET GROWTH BY SUB-SECTOR (CAGR)



- Tanzania's overall CAGR since 2018 is 4.4%.
- Retail & Office growth is expected to be ~6%.
- Residential will be driven by multi-units, growing at ~8.0%.

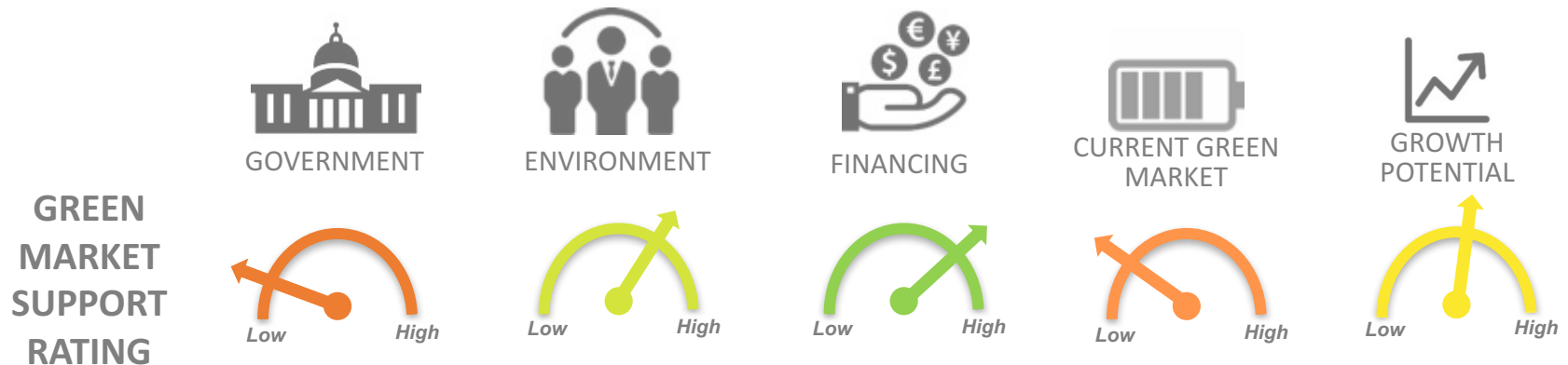
Cost to construct m <sup>2</sup> of space	Tanzania Dar es Salaam		
	2017	2016	%Δ
<i>USD</i>			
Single-Family Detached	\$779	\$715	9%
Multi-Unit Residential	\$780	\$716	9%
Office	\$955	\$881	8%
Retail	\$890	\$818	9%
Warehouse	\$715	\$659	8%
Hotels & Restaurants	\$1,363	\$1,256	9%

TOTAL MARKET SIZE 2018-25 (USD BILLIONS)





# COMMERCIAL SECTOR WILL LEAD THE GREEN MARKET



- Given the nascent green market, green penetration into the overall market can be difficult to forecast.
- IFC expects the commercial industry to lead the green market, as the business case is well documented.
- Continued awareness around utility savings for the residential end customers will ensure green penetration into that sub-sector, though at a later date.



# THE GOVERNMENT, NGOS AND TRADE ASSOCIATIONS ARE COMMITTED TO GREEN BUILDINGS

## GOVERNMENT & POLICY SUPPORT

- Ministry of Lands, Housing and Human Settlements Development
  - National Housing Corporation
- Central Bank
  - Tanzania Mortgage Refinance Company



## INDUSTRY & NGO SUPPORT



**TANZANIA ELECTRIC SUPPLY COMPANY LIMITED**  
We light up your life

## NOTABLE EVENTS

### LEED Earth Project Pioneers: Tanzania's first LEED building a torchbearer for change



“Green Building Councils in Africa are working to scale building solutions that celebrate the rich geographic, cultural and historic traditions of Africa”



GBC

### Tanzania Green Building Council

Country  
Tanzania

Membership  
Prospective

Region  
Africa

Website  
<http://tzgbc.com>



**EAST AFRICA**  
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23-25 JANUARY 2018  
DAR ES SALAAM, TANZANIA





# TANZANIA'S GBC IS LEADING THE WAY FOR GREENER BUILDINGS

**Website:** [www.tzgbc.com](http://www.tzgbc.com)

**Registered:** January 2014

**Members:** 10+

**Mission:** Driving the sustainable development of Tanzania's built landscape.



## MEMBER ORGANIZATIONS



Dar es Salaam  
Glass Works



ISO 9001:2008



Consulting Electrical & Mechanical engineers

## EVENTS & WORKSHOPS



How to make your building greener

## SPONSORS & SUPPORTING MEMBERS



GreenA  
Consultants



Architects Association  
of Tanzania



## LEARN ABOUT EDGE CERTIFIED PROJECTS IN AFRICA



### RADISSON BLU HOTEL – THE EXCHANGE

Location:	<b>Accra, Ghana</b>
Client:	<b>Mabani Holdings, CDC, Actis, Radisson Blu</b>
Architects:	<b>HOK</b>
Sector:	<b>Mixed use</b>
Size:	<b>98,000m<sup>2</sup></b>
No. of Units:	<b>200 rooms</b>

Predicted Savings of EDGE Certification:



22% Energy Savings



24% Water Savings



22% Less Embodied Energy in Materials



### RAVENSWOOD RESIDENTIAL DEVELOPMENT

Location:	<b>Johannesburg, South Africa</b>
Client:	<b>RPP Developments</b>
Owners:	<b>International Housing Solutions</b>
Sector:	<b>Residential</b>
Size :	<b>10,180m<sup>2</sup></b>
No. of Units:	<b>188 two-bedroom homes</b>

Predicted Savings of EDGE Certification:



32% Energy Savings



27% Water Savings



48% Less Embodied Energy in Materials

Case studies from other countries: <https://www.edgebuildings.com/projects/>



## PROJECTS CAN CHOOSE BETWEEN TWO EDGE CERTIFIERS FOR FAST, EASY, AND AFFORDABLE CERTIFICATION



CERTIFICATION	PRICE (PER M <sup>2</sup> , EXCLUDING PARKING)	MINIMUM
0-25,000 FLOOR AREA (SQM)	\$0.27	\$2,250
25,000-50,000 FLOOR AREA (SQM)	\$0.22	\$6,750
50,000-75,000 FLOOR AREA (SQM)	\$0.17	\$11,000

\*Price per m<sup>2</sup>; Project appoints an auditor



PROJECT TYPE	CERTIFICATION	DESIGN AUDIT	FINAL AUDIT	TOTAL
Residential (one unit type)	\$1,500	\$3,650	\$4,320	<b>\$9,470</b>
<i>Residential (per additional unit type)</i>	<i>\$490</i>	<i>\$890</i>	<i>\$460</i>	
Commercial (single end use)	\$1,550	\$4,005	\$4,710	<b>\$10,265</b>
<i>Mixed-Use Buildings (per additional end use)</i>	<i>\$990</i>	<i>\$2,670</i>	<i>\$1,560</i>	

\*Price per type of project; Auditor fee is included

Details and registration forms can be found on the EDGE program website:  
<https://www.edgebuildings.com/certify/other-countries/>





# RESEARCH METHODOLOGY

## COUNTRY LIST

- IFC chose countries that correspond to the [Climate Investment Opportunity Report](#) as well as countries of strategic interest for IFC.
- IFC plans to release additional country analysis, pending resources.

## TOTAL MARKET OVERVIEW

- Building stock was sourced from the [Global Building Stock Database](#) and confirmed by country experts, if possible.
- The research team found local prices for capital construction expenses, or used global proxies otherwise.
- Market sizing was executed for new construction and did not focus on retrofits.

## SNAPSHOT OF THE CURRENT GREEN MARKET

- Main source of information was the [Green Building Information Gateway](#), confirmed by local green building council reports, if such existed.
- The research team focused on properties certified as green.

## GOVERNMENT POLICIES

- Main information was sourced from the [World Bank NDC Database](#).
- Additional information was found using various searches as well as government websites.

## PROJECTIONS FOR GREEN PENETRATION

- Based on the total market growth, snapshot of the current green market, and the enabling environment of government policies, the research team projected green penetration per each of the sub-sectors.
- Weighted average of combined sector data produced the final penetration number.
- The analysis focused only on new construction, and focused only on certified properties.
- As tools for retrofits take off in the market (including IFC's EDGE product), analysis may be amended to include the retrofit market.

## OTHER

- Information for green building councils was sourced from [World GBC website](#).
- Case studies were presented only for IFC's EDGE green building software and certification system.
- However, lists of all green certified projects in a given country can be found through the [Green Building Information Gateway](#).
- Finally, pricing for EDGE certification was included to illustrate that green certification is affordable and achievable in emerging markets.