

Property Valuation Systems and Methods in Tanzania- An Empirical Analysis

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SUMMARY

During the last two decades, valuation services have become increasingly less credible in Tanzania. Widespread public discontent expressed in the media and in public meetings has become the norm. Government redress measures through issuance of Valuation Practice Guidelines and setting up of land data banks do not seem to have had meaningful impact. In 2007, the Government initiated process towards a Valuation Bill that was passed by the Parliament in July 2016 after a number of heated debates and disagreement on the knowledge areas requisite for the valuation discipline. This was irrespective of the facts that Valuation was already a well-established profession in the country with over 300 registered practicing valuers and an accredited university education programme set up in early 1970s. This intrigued the need to explore the positioning of the valuation as a profession in Tanzania on one hand but on the other begged the explanation as to what had happened to the integrity of the valuation profession in the country.

Tanzania has been pioneer in the training of real estate disciplines within Eastern Africa, an active member striving for harmonized real estate practices and valuation standards; and adopted the International Valuation Standards and International Financial Reporting Standards during 2000-2004. Notwithstanding these encounters and practices, the local valuation practice appears to beset with insurmountable problems.

From the interviews and review of Valuation Bill discussions, a general trend amongst interest groups to usurp what might offer them spheres of influence in a field that is not necessarily cognate to their occupational needs was established. It was also observed that amidst high urbanization rate and infiltration of foreign investors, the banking and real estate sectors in Tanzania were pursuing separate development paths with very little sharing of experiences. As a result, local professionals practicing in an environment without a legal framework were more likely to be marginalized by the

dynamics of change and interest groups who masquerade as the knowledge-skills-bearers in a promising sector as the real estate has been in Tanzania.

The paper evaluates adequacy of traditional approaches in evolving real estate markets and the practical problems facing valuers in Tanzania. It urges valuers to adapt themselves to the changing business dynamics and appreciate the other participants' roles in the emerging real estate market.

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