Urban property as security
examining the intersections between Africa’s growing middle classes and urban transformations
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Abstract
African middle classes are growing in numbers and purchasing power. They form a significant share of urban populations and command a majority of urban resources. This paper examines the spatial practices of Africa’s new urban-based middle classes and the implications for urban transformations. The focus is on households in the lower end of the spectrum, which form the majority of and account for most of the remarkable growth of Africa’s middle classes. The paper draws attention to the middle classes as significant actors in the local housing systems, informal land markets and incremental construction practices commonly associated with the urban poor. Property investments are crucial for understanding how moderately resourceful households strive to achieve the kind of long-term security and upwards social mobility commonly associated with the middle classes. Through their investments, the middle classes shape informal urban expansion processes, co-finance settlement upgrading and produce socially diverse neighborhoods.

Keywords: African middle class; informal housing; property investments; urban expansion; asset accumulation; Tanzania; Dar es Salaam; Mwanza

Introduction
A striking feature of contemporary urban transformations in Africa is the continuous expansion of urban built-up areas, as sprawling new residential developments incessantly spread into surrounding peri-urban and rural areas (Mercer, 2018). Urban areas now cover an estimated surface area of approximately 140,000 square kilometers (Africapolis 2020), up from approximately 40,000 square kilometers in 2000 (Angel, Parent, Civco and Blei, 2011). In the coming 20 years, urban populations in Africa are expected to double (United Nations Department of Economic and Social Affairs [UNDESA], 2018), while urban land cover could triple (Angel, Parent, Civco and Blei, 2011).

Urban growth at this scale represents a formidable planning challenge and commonly evokes negative conceptions of African cities. Widespread urban expansion raise concerns about haphazard urban development, pervasive informality, overstretched infrastructure and ever-expanding slum areas. However, it is increasingly also recognized that urban growth is positively associated with the high economic growth rates of recent decades and the concomitant rise of the African middle classes (Deloitte&Touche, 2013; McKinsey, 2010, 2016). The African Development Bank has demonstrated that Africa’s middle classes have grown both in terms of size and purchasing power - and at a much faster pace than total populations (Ncube, Lufumpa and Kayizzi-Mugerwa, 2011; Ncube and Lufumpa 2015). This has generated considerable excitement, epitomized in the narrative of “Africa Rising” (Mahajan, 2009; The Economist, 2011; Time Magazine, 2012) and the notion of African economies as “lions on the move” (McKinsey, 2010, 2016).
The implications of Africa’s growing middle classes for on-going economic and political transformations is the subject of vigorous debate within development studies. This paper is based on the proposition that growing middle classes are equally significant for understanding contemporary urban transformations across Africa and warrant scrutiny from urban geographers. The middle classes form a significant share of urban populations and command a majority of urban resources (Tschirley, Reardon, Dolislager and Snyder, 2015). Growth in household spending is highly concentrated in urban areas, especially within sectors such as construction, utilities and transport (McKinsey, 2016). The spatial practices of the new middle classes have received growing academic interest from scholars concerned with how the new middle classes influence urban spatial development through their demand for and engagement in construction of particular forms of housing. This paper contributes to an emerging academic literature, informed by perspectives from urban geography, urban planning and anthropology, examining the spatial practices of Africa’s new urban-based middle classes and the implications for urban transformations.

Much of the excitement around Africa’s emerging middle classes is based on the assumption that middle class living standards begin where poverty ends. Hence, the middle classes cover a highly diverse and heterogeneous group of people and households, many of whom are not that far out of poverty (Banerjee and Duflo, 2008; Ncube et al., 2011; Ravallion, 2010). In this paper, we zoom in on households in the lower end of the spectrum, which form the majority of and account for most of the remarkable growth of Africa’s middle classes: what we label moderately resourceful households. This group is not defined by their income level per se but by their livelihood situations, diverse pathways to asset accumulation and continued vulnerabilities (Darbon, 2018).

The paper draws on insights from a qualitative study of property investments among self-builders in Dar es Salaam and Mwanza, two of the largest and fastest growing cities in Tanzania. Self-builders are urban households, who acquire undeveloped land and engage in incremental construction of housing for owner-occupation, renting and other purposes. Self-builders are primary actors in opening up new land on the periphery for residential development (Namangaya and Kiunsi, 2018). In both cities, research has been carried out in peripheral and semi-peripheral settlements characterized by informal land acquisition processes, sprawling housing developments and varying degrees of settlement consolidation. These settlements do not fit common imagery of immaculate middle class neighborhoods, but they are in many ways “typical” residential areas within these cities, as they have developed largely informally and accommodate a wide array of urban residents of mixed socio-economic status.

The analysis follows four steps. First, we outline the strong appetite for urban property among moderately resourceful urban households. Second, we examine households’ varying abilities to acquire land and build houses in the city and demonstrate how property investments are enabled by growing incomes and saving capacity. Third, we explore the expressed motivations and rationales for investing hard-earned household savings in urban property. Finally, we discuss the significance of moderately resourceful households in shaping urban expansion processes. We propose that property investments are crucial for understanding how moderately resourceful urban households strive to achieve the kind of long-term security and upwards social mobility commonly associated with the middle classes. We draw attention to piecemeal, incremental property investments as a common and ordinary practice among moderately resourceful households and the significance of such practices in fueling urban expansion processes. We suggest that our focus on middle class spatial practices provides a more nuanced understanding of urban expansion processes beyond common themes of informality, poverty and service deficits.

**The spatial practices of Africa’s new middle classes**

Africa’s middle classes are usually assumed to begin where poverty ends and wind-up where the elite takes over. The African Development Bank defines the middle classes as those with a daily expenditure above the international poverty line of USD 2, in line with prominent economists Abhijit Banerjee and Esther Duflo
(2008) and former World Bank Chief Economist Martin Ravallion (2010). Daily expenditure above the poverty line allows for significant consumption beyond basic necessities; those above are more likely to live in larger and adequately serviced houses, spend more on healthcare and education and live distinctly longer and healthier lives (Banerjee and Duflo, 2008).

The middle classes cover a highly diverse and heterogeneous group of people and household. The low threshold includes many people close to the poverty line, who are at risk of falling back into poverty (Ncube et al., 2011). Except for South Africa, the vast majority of Africa’s middle classes are below the USD 10 threshold applied in more restrictive conceptions (e.g. Birdsall, 2010; Kharas, 2017). In fact, most of the remarkable growth of Africa's middle classes has occurred in the USD 2-4 expenditure bracket (Darbon, 2018), demoted as a “floating” middle class by the African Development Bank (Ncube et al. 2011). Critics rightly question how such low incomes can convey the kind of long-term security and prospects for upwards social mobility commonly associated with the middle classes (Birdsall, 2010; Cheeseman, 2015; Melber, 2016; Southall, 2017; Thurlow, Resnick and Ubogu, 2015).

Amidst the wealth of quantitative studies and measurements of the African middle classes, an emerging literature, informed by perspectives from urban geography, urban planning and anthropology, seek to shift focus away from defining and measuring the middle classes and towards examining their everyday practices and aspirations (Behrends and Lentz, 2012; Lentz, 2016; Mercer, 2018; Spronk, 2014). As part of this emerging agenda, the spatial practices of the new middle classes have received growing academic interest. This literature is concerned with the housing preferences of the new middle classes, their demand for and engagement in the construction of particular forms of housing and the influence they exert on their surrounding residential areas and wider urban environments. The middle classes’ ‘spatial practices’ thus include their engagement in land acquisition, subdivision and resale of plots, house construction, modification and improvement of housing and provision of hard infrastructure, such as roads and piped water networks. Such spatial practices are highly visible and exert significant influence on urban spatial and physical development. This emerging literature takes at least two directions.

The first group of studies illuminate how mushrooming high-end real estate projects, based on images of Africa’s emerging middle classes as selective consumers, are reshaping African cities. Many cities have seen their skylines transform in a construction boom of high-end real estate and office towers. In the context of Kigali and Addis Ababa, Goodfellow (2017) suggest that urban real estate has become a primary outlet for “over-accumulated” capital from domestic and foreign sources, in the absence of alternative investment opportunities in industries or stock markets. Recent years have seen an emergence of “urban fantasy” plans attempting to re-shape African cities according to high-modernist visions and attract foreign capital into urban real estate development. Watson (2014) argues that such plans promote a form of “speculative urbanism” similar to processes described by Goldman (2011) for Bangalore, which is intimately linked with global circuits of capital and which will have major exclusionary effects and cause widespread displacement. Many such plans take the form of “New City” developments comprehensively planned and built from scratch as self-contained enclaves. Evoking Graham and Marvin’s (2001) notion of “splintering urbanism”, Van Noorloos and Kloosterboer (2018) raise concerns regarding the impacts of New City developments on socio-spatial segregation and fragmentation of urban governance and access to services. Morange et al. (2012) raise similar concerns in relation to the emergence of gated residential areas in the Southern African cities of Maputo, Windhoek and Cape Town. Sumich and Nielsen (2020) outline how gated communities in Maputo function as privatized enclaves offering privileged urbanites privacy, security, orderliness, superior services and a community of like-minded people.

However, as all the above studies remark, most of these luxury housing products cater for elite groups and are unlikely to be affordable for the vast majority of households considered part of the middle classes by the African Development Bank. One of such projects, the Kilamba New City Project in Luanda, Angola, earned a reputation as a “ghost town”, because of the difficulty of marketing housing which is largely unaffordable even for senior civil servants (Cain, 2014). Goodfellow (2017) suggests that high-end real
estate is oversupplied and poorly matched with demand, because investments are driven primarily by the
intrinsic appeal to investors of urban real estate, which is considered a risk-free asset, well protected from
inflation and associated with tax benefits.

The second group of studies focus on the growing engagement of the middle classes in local housing
systems, informal land markets and incremental construction processes on the outskirts of African cities,
where rural or peri-urban land is continuously transformed into urban uses. Such transformations are often
conceptualized as “peri-urbanization”. While commonly associated with poverty, deprivation and
informality, these understandings are increasingly challenged by studies documenting the engagement of
resourceful groups in peri-urbanization processes and informal housing development. Mbatha and Mchunu
(2016) find that urban middle classes are attracted to peri-urban spaces around Durban because the
affordability of land and flexibility of incremental construction afford opportunity to build lavish dream
houses and enjoy lifestyles frowned upon in the city. Sawyer (2014) suggests that the periphery of Lagos
has become a site of opportunity for urban middle classes with the capital, network and skills to engage in
self-building and outfit their properties with adequate amenities and security measures. Owusu-Ansah and
O’Connor (2010) note that sprawling low-density housing developments on unserviced land in the
periphery of Kumasi are fulled by demand from urban middle classes with a preference for single-family
homes over family compounds. Drawing on the concept of “quiet encroachment” coined by Bayat (1997),
Bartels (2019) demonstrate how urban middle classes in Accra contribute to encroach on state-owned land
in the periphery and consolidate their land claims through building large houses, financing improvements
of services and lobbying for extension of infrastructure. Focusing on formally planned areas, Mercer (2018)
promotes the concept of “suburbanization” rather than “peri-urbanization” and suggests that urban middle
classes in Dar es Salaam are emerging as producers of new suburban neighbourhoods.

Several studies draw attention to links between middle class spatial practices and middle class identities
and self-perceptions. The middle classes promote distinctive aesthetics related to plot layouts, residential
densities, orderliness, greenery and security, and through this reshaping of their neighbourhoods seek to
differentiate themselves from less resourceful segments of the urban populations (Mercer, 2018). Mercer
(2014) suggests that new housing styles and architectural features evident in the periphery of Dar es Salaam are linked with middle class aspirations, consumerism and perceptions of the house as a site of leisure. Page and Sunjo (2018) suggest that lavish housebuilding projects signal accomplishment, wealth and connections to global consumer culture for middle class housebuilders in the small town of Buea in Cameroon. In the context of urban South Africa, Heer (2018) argues that homeownership functions as a key signifier of middle class status, which bestows owners with a strong feeling of political entitlement and preferential right to influence the development of their residential areas.

While the above studies highlight middle class spatial practices as aspirational, houses are also important
economic assets and there are likely important links between settlement consolidation and economic
consolidation. In urban livelihoods research it is well established that land and houses are often the most
important assets of urban households (Dani and Moser, 2008; Rakodi, 2016). Longitudinal livelihood studies
suggest that investments in owner-occupier housing are significant in long-term asset accumulation
processes (Marais, Ntema, Cloete and Lenka, 2018; Moser and Felton, 2007; Moser, 2016). Darbon (2018)
proposes that long-term asset accumulation processes are at the core of understanding dynamics of
upwards social mobility. Mabandla’s (2015) historical study from South Africa highlights the significance of
rural property ownership for black urban-based middle classes. While the significance of property in rural
home regions for urban households is well-documented, there is limited research on urban property
investments. We assert that research on urban transformations in Africa could benefit from in-depth
explorations of the varied pathways to asset accumulation through urban property investments and self-
builder strategies among Africa’s emerging middle classes.
Urban expansion in the context of sustained economic growth

Tanzania is in the midst of an urban transition. The share of the population residing in urban areas has risen from 23% in 2002 (TNBS, 2015) to an estimated 35% in 2020 (UNDESA, 2018). This paper draws on empirical research in Dar es Salaam and Mwanza, which are among the largest and fastest growing cities in Tanzania. Both cities have experienced continuously high population growth rates of around 5-6% per year in the past two decades (UNDESA, 2018). Dar es Salaam is by far the largest Tanzanian city with a population of 4.4 million people in 2012 (TNBS, 2016a). With a population of app. 700,000 Mwanza is one among several secondary cities of similar size (TNBS, 2016b). As the primate city, the economy in Dar es Salaam is more diversified, while the economy in Mwanza is more closely linked with major regional industries, namely mining and minerals. However, both cities are among Tanzania’s main commercial centres and have experienced a remarkable growth in construction activities over the past decades. Both have seen a dramatic expansion of urban built-up areas with a limited number of highly accessible main radial roads connecting the centre to the sprawling peripheral areas (Three City Land Nexus Research Team, 2020). For Dar es Salaam, it is estimated that the total built-up area increased by 133% during 2002–2011, while the population ‘only’ grew by 75% during 2002–2012 (Macchi, Ricci, Congedo and Faldi, 2013). Congedo and Macchi (2015) demonstrate that the rapid expansion of Dar es Salaam in this period is particularly fueled by growth in discontinuously built-up areas.

Urban expansion processes are happening largely informally and unguided by planners. Informal settlements are estimated to accommodate up to 75% of residents in both Dar es Salam (United Republic of Tanzania [URT], 2019) and Mwanza (URT, 2016). The formal land allocation system in Tanzania is highly inefficient and plays a very marginal role in the provision of urban land (Kironde, 2000, 2006). Alongside the formal system are vibrant informal land markets, with more accessible, affordable land, but also less tenure security and more insecurity about official plans. Most aspiring homeowners acquire land through informal channels (Kironde, 2000, 2006). Informal settlements are not generally considered illegal. The Urban Planning Act No. 8 of 2007 and the Land Act No. 4 of 1999 provide for the recognition of informal settlements and outlines guidelines for their regularisation and formalisation, if located in habitable areas (Three City Land Nexus Research Team, 2020). Decades of government policies focusing on regularization rather than demolition, have ensured that development incentives are quite similar in informal and formal areas. Providers of formal services commonly provide services post-settlement in informal areas (Andreasen and Møller Jensen, 2016). Even property taxation is, at least in principle, payable also by owners of buildings in informal settlements (Ali et al. 2018).

The rapid growth and expansion of major cities like Dar es Salaam and Mwanza have occurred in a context of sustained economic growth and significant poverty reduction in Tanzania (Murphy and Carmody, 2019). GDP growth rates have been continuously high of around 5-7 per cent per year throughout 2001-2018 (Tanzania National Bureau of Statistics [TNBS], 2014; TNBS, 2019). GDP per capita rose from USD 410 in 2000 to USD 1061 in 2018, effectively shifting Tanzania from “low-income” to “lower-middle income” country in official World Bank country classifications (World Bank Open Data, 2020). The remarkably high economic growth rates of Tanzania reflect trends evident across sub-Saharan Africa. While overall economic growth in Africa has slowed since 2010, Tanzania remains among the “stable growers” (McKinsey, 2016). Economic growth has contributed to lift a growing share of Tanzanians out of poverty. Over the past two decades, Tanzania recorded a consistent decline in the frequency, severity and depth of poverty (World Bank, 2015). In 2000 only 12.3% of the Tanzanian population had a daily expenditure above the poverty line of USD 2 (see table 1). In 2017 close to half of Tanzanians had risen above the USD 2 threshold - and into the middle class as defined by the African Development Bank. The growth in incomes and expenditure has been most pronounced in urban areas, especially in the larger cities (World Bank, 2019). The vast majority of remain relatively close to the poverty line, as approximately two-thirds of Tanzanians above the USD 2 threshold are found in the USD 2-4 income bracket.
Table 1. Share of the Tanzanian population with daily expenditure above PPP USD 2, 4 and 10

<table>
<thead>
<tr>
<th></th>
<th>&gt; USD 2</th>
<th>&gt; USD 4</th>
<th>&gt; USD 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>47.5</td>
<td>15.1</td>
<td>2.2</td>
</tr>
<tr>
<td>2011</td>
<td>47.1</td>
<td>13.5</td>
<td>1.7</td>
</tr>
<tr>
<td>2007</td>
<td>37.0</td>
<td>10.3</td>
<td>1.4</td>
</tr>
<tr>
<td>2000</td>
<td>12.3</td>
<td>2.0</td>
<td>0.1</td>
</tr>
</tbody>
</table>

Source: Own computations based on data retrieved from World Bank PovCalNet 2020.

Studying property investments among self-builders in Dar es Salaam and Mwanza

This paper is based on qualitative interviews with established self-builders in the periphery of Dar es Salaam and Mwanza. This makes it possible to examine middle class spatial practices in a large primary city and a smaller secondary city. The analysis will draw on insights and examples from both cities to analyze key processes evident in both cities. In both cities, interviews were carried out in a peripheral and a semi-peripheral area (see map 1 and 2) characterized by informal land acquisition processes, sprawling housing developments and varying degrees of settlement consolidation. Development led by self-builders often starts in poorly accessible locations with very limited services, because this is where undeveloped land is available and affordable. Given the difference in size, such locations are much further from the city centre in Dar es Salaam compared to Mwanza, and consequently also associated with much longer travel times for residents regularly travelling to the city centre. The case areas offer an opportunity to examine urban expansion processes unfolding over time. Self-builders first began buying land and building houses in the peripheral case areas in the early 2000s and in the semi-peripheral case areas in the 1980s and 1990s. At present, the case areas are located well within the urban built-up area (see map 3 and 4).

The selected case areas are in many ways “typical” residential areas within their cities, as they accommodate a wide array of urban residents of mixed socio-economic status and ethnic origins. The primary actors in the local land markets are “ordinary” urban households. While central parts of Dar es Salaam and Mwanza have seen increasing foreign and domestic investments into urban real estate, the case areas are too peripherally located and too poorly accessible to attract such investors. Rather, the piecemeal investments of numerous individual self-builders shape the development of these settlements, though they also accommodate a wider range of residents, including caretaker families, tenants of varying means and remaining indigenous landholders. The selected areas are diverse with respect to the level of consolidation, distance to the city center, the extent of land formalization and the provision of services and infrastructure (see table 2).

Data collection was carried out in November 2018 in Dar es Salaam and January–February 2019 in Mwanza. The core data consists of interviews with 68 established self-builders, respectively 34 in Dar es Salaam and 34 in Mwanza, who have successfully completed construction of one or more houses within their city of residence. All interviewees are adult household heads, both women (36) and men (32), in charge of housing decisions and expenses of their households. Most households are headed by married couples, of whom only one typically participated in the interview. Some are headed by single women (12) or men (2), including widowers and divorcees. Households were selected purposely based on observations and information from local leaders and land brokers. Sampling sought to capture variation in relation to houses
of different type, size, quality, stage of completion and access to services. The analysis will draw on all interview material, but focus especially on the more resourceful households among the self-builders. Additionally, data collection also included interviews with tenants, some of whom are aspiring self-builders in the process of building their first house in the city (16) and some without any property in the city (28). Furthermore, data collection included key informant interviews with local leaders (4) and land brokers (11) as well as observations of the urban environments.

Table 2. Overview of settlements

<table>
<thead>
<tr>
<th>City</th>
<th>Mzinga</th>
<th>Kiembe Samaki</th>
<th>Nyasaka</th>
<th>Kiloleli B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start of land subdivision processes</td>
<td>Early 2000s</td>
<td>Late 1980s and early 1990s</td>
<td>Early 2000s</td>
<td>Mid-1990s</td>
</tr>
<tr>
<td>Location</td>
<td>App. 15 km south-west of city center</td>
<td>App. 8 km south-west of city center</td>
<td>App. 5 km north-east of city center</td>
<td>App. 3 km north-east of city center</td>
</tr>
<tr>
<td>Characteristics</td>
<td>Medium density area in low-lying interior location far from all-weather main road</td>
<td>Very high density area with poor interior accessibility, but in proximity to all-weather main road</td>
<td>Low density area located on the urban fringe, but along all-weather main road</td>
<td>High density area located on steep hillsides with very limited interior accessibility</td>
</tr>
<tr>
<td>Status of the land</td>
<td>Informally developed, but land formalization is on-going</td>
<td>Informally developed, but regularized post-settlement in the early 2000s</td>
<td>Partially surveyed and partially informally developed with land formalization on-going</td>
<td>Informally developed, but land formalization on-going</td>
</tr>
<tr>
<td>Administrative status</td>
<td>Sub-ward of Mzinga ward, Ilala Municipality</td>
<td>Sub-ward of Barabara ya Mwinyi ward, Tembeke Municipality</td>
<td>Sub-ward of Nyasaka ward, Ilemela Municipality</td>
<td>Sub-ward of Nyasaka ward, Ilemela Municipality</td>
</tr>
</tbody>
</table>
Map 1. Population densities across Dar es Salaam in 2012

Source: Spatially disaggregated population data and shapefiles from the 2012 census made available for spatial and statistical analysis by the Tanzanian National Bureau of Statistics. Disaggregated population data have been carefully matched to a corresponding set of shapefiles for Enumeration Areas, which is the lowest administrative unit in the Tanzanian censuses.
Map 2. Population densities across Mwanza in 2012

Source: Spatially disaggregated population data and shapefiles from the 2012 census made available for spatial and statistical analysis by the Tanzanian National Bureau of Statistics. Disaggregated population data have been carefully matched to a corresponding set of shapefiles for Enumeration Areas, which is the lowest administrative unit in the Tanzanian censuses.
Map 3: The extent of the built-up area of Dar es Salaam in 2015

Map 4: The extent of the built-up area of Mwanza in 2015

Strong appetite for property investments

Self-builders commonly acquire undeveloped land and build houses incrementally over several years. Pace of construction is determined primarily by households’ ability to accumulate savings over time, because access to mortgage finance is highly restricted in the Tanzanian context. Most self-builders acquire land through the informal land markets, principally through purchase from a previous owner, because formally planned land is extremely limited in supply and difficult to acquire, even for many of those who could potentially afford it. Many prospective buyers rely on the services of informal land brokers. Social networks are also important as buyers commonly connect with sellers or land brokers through a shared acquaintance, though only few buy land directly from relatives or friends. Land prices are generally lower in Mwanza, where a similar sum of money will buy a larger and better located plot than in Dar es Salaam.

Many self-builders invest in land acquisition and construction well beyond what is needed to build a house for their own families. Among the 68 self-builders interviewed, 35 own additional houses, undeveloped plots or agricultural landholdings within or around their cities. Among those, 21 own two or more additional properties. Most of the established self-builders, who have not yet invested in additional property, aspire to do so in the future.

Some self-builders build a second house in the city to improve housing quality, gain more living space or reside in a more attractive neighborhood. The opportunity to transform the first family house into a rental house is often part of the motivation. Among the self-builders interviewed, eight own a former family house located in more central area, while 13 are in the process of building a new family house elsewhere. A retired government official built a modest family house in the early 1990s in Kiembe Samaki in Dar es Salaam, an area that has by now become relatively well located and well serviced: “When my wife retires we can move to our new house in Chanika and leave this one for tenants. When the road improvements are finished, rents will increase in this area. If we continue living here, our financial situation will tighten, but if we move, our options will widen” (Interviewee no. 6 in Kiembe Samaki, Dar es Salaam).

Rental housing is widely perceived as an attractive investment opportunity among self-builders. Many acquire land and build houses specifically for rental purposes or construct rental housing within their own compounds. Among the self-builders interviewed, 19 have invested in rental housing on separate plots, while 18 have rental housing within their compounds. Some build shared rental houses with low-cost single rooms. Others build self-contained apartments, bungalows or villas, which can yield higher rents and attract more selective tenants. A recently retired nurse in Mwanza built a small family house in Kiloleli B in the late 1990s, and has recently invested in bungalows for rental purposes in Nyasaka: “I also have a small house in Nyasaka, which I finished in 2014. It is a family house, meant for just one tenant family. I am even building another house, because I have more space there. The house helps us, even though we depend mostly on my husband’s business and my pharmacy shop” (Interviewee no. 2 in Kiloleli B, Mwanza).

While the most popular investment objects are houses for owner-occupation and rental purposes, some also invest in agricultural landholdings in surrounding peri-urban areas. Among the self-builders interviewed, eight have invested in agricultural landholdings. Five are engaged in commercial farming activities and food production for family consumption, while the remaining three intend to do so in the future. Those engaged in commercial farming commonly consider it among their primary income sources. A self-builder living in a modest house in Mzinga in Dar es Salaam introduces himself as a farmer: “I have some farmland in Kisarawe, where I grow pineapples, cassavas and maize. Actually, I depend much on the income from farming, because it is a huge area, like thirty acres, and my income has increased much after I started the agricultural activities.” (Interviewee no. 28 in Mzinga, Dar es Salaam).

Beyond urban property investments, many established self-builders (23) own additional property in other regions. Most are migrants originating from other regions, who own land and houses in their home region or other regions, where they lived previously in their lives. Some houses are occupied by close relatives or
occasionally used for visits and holidays. A few (5) have invested in rental housing or agricultural activities in other regions.

**Property investments are enabled by growing incomes**

Urban property investments require significant resources, time, effort and social connections, in order to navigate informal land markets, coordinate extended construction processes and organize daily lives in poorly accessible and ill-serviced locations. The ability to invest in property is enabled by households’ growing ability to generate incomes and accumulate savings over time. Capital for land acquisition and house construction is commonly accrued over several years from salaries and profits derived from various businesses and investments.

Established self-builders have in common that their ability to successfully complete construction of one or more houses marks a current or past capacity to accumulate savings over an extended period of time. Most are mature or elderly people over the age of 30, while young people under 30 are more likely to be tenants and/or aspiring self-builders in the process of building their first house. Established self-builders are socially heterogeneous and characterized by diverse socio-economic circumstances. They may range from a couple of newlywed urban professionals in their first house to elderly people close to retirement, who have only recently managed to complete a habitable house after years and years of saving from meagre incomes. Self-builders derive their incomes from a wide range of jobs, businesses and investments. Occupations include traders, artisans, farmers, industrial workers, nurses, teachers, soldiers, engineers and many others. Their houses differ in size, quality of building materials, the extent of completion and access to services. In one extreme are large villas finished in nice materials and outfitted with stylish architectural features, elaborate security measures and connections to electricity and piped water (from centralized supply in Mwanza and local groundwater sources in Dar es Salaam). In the other extreme are small houses in cheap materials with walls and floors in rough cement and without window frames, doors, ceiling boards or service connections. Most self-built houses are somewhere in between and all four areas contain a mixture of different types of houses. Due to the extended processes of incremental construction, some houses may appear incomplete for years. Many will likely expand and improve their houses in the future, if they have surplus resources.

The ability to invest in additional property beyond the family house is an indicator of relative prosperity and economic success. Zooming in on the most successful among the self-builders - the 21 households with two or more additional properties – they have generally seen their household incomes increase or remain relatively stable over the past 10 years. They tend to be middle-aged or elderly people, either active in or retired from stable employment, who have carefully invested surplus savings in urban property throughout their working lives. Property investments commonly form part of diverse household economies characterized by multiple activities and continuous reinvestment of surplus saving to strengthen and diversify household economies. Many explicitly consider the magnitude of their property investments, when assessing the economic situation of their households over time. This is apparent in a quote from a retired government official in Kiembe Samaki, who have invested in multiple low-cost rental rooms within his compound: “I have seen my income increase, because I have managed to improve my house with modern windows, tiles and all that. I have also managed to build all those rental rooms, and I am still building [a second family house], despite the economic situation in the country” (Interviewee no. 6 in Kiembe Samaki, Dar es Salaam).

Self-builders commonly aspire to invest further in land and construction, irrespective of the extent of their current property investments. This seems primarily a question of ability and opportunity. Many replied to questions about future property investments, as if the answer was somehow self-evident. This is apparent in the response from a small business owner, who recently completed construction of her first family house: “Yes, of course plans are there, if God wishes, because everyone is having such plans. If I will get the
money, I will buy another plot.” (Interviewee no. 18 in Mzinga, Dar es Salaam). While she is in her early 30s and likely to have many economically active years ahead of her, others may be less likely to invest further, because they are experiencing declining incomes and/or saving capacity due to factors such as retirement, loss of spouse, ill health or struggling businesses.

**Property is a primary source of security**

Urban property serves as a primary outlet for surplus savings of moderately resourceful households. While growing incomes enable these investments, the strong appetite for urban property is shaped by perpetual underlying vulnerabilities and persistent anxieties. The value and priority given to urban property investments in tight household economies reflect that property is primary source of security.

Self-built, owner-occupier housing offers a secure place to live, irrespective of what happens with the income sources. After successful completion of a habitable family house, one can live largely without any housing expenses, except for service charges and maintenance costs, which can be adjusted according to economic circumstances. This is favorably compared with the stress and anxieties associated with meeting regular rent payments. The profound security provided by homeownership is significant for those relying on fluctuating and unpredictable income streams from small-scale businesses and trading activities, but also for households, which have among the breadwinners salaried employees, who may feel vulnerable to potential layoffs or who may eventually retire with limited pension savings. This is explained by a retired government official living in an old and dilapidated house in Kiembe Samaki in Dar es Salaam: “The good thing about having a house is that we are able to live freely, even if nowadays neither my husband nor I have jobs. What if we were staying in a rental house, where we had to pay cash for living…? Oh no, we would have to return home [to home village], if not for this house” (Interviewee no. 9 in Kiembe Samaki, Dar es Salaam).

While urban property investments are rarely part of primary livelihood strategies, investments in rental housing or agricultural landholdings generate additional income streams, which are welcome in tight household economies and convey security in case other income sources fail or the ability to work is diminished by ill health or old age. Anxieties related to unpredictable or precarious income sources are pervasive among self-builders, and the preoccupation with diversifying income sources is evident even among highly educated professionals. This is apparent in a quote from a doctor working for a prominent NGO in Mwanza: “You know, I cannot be sure of the extension of my contract, so I actually rely mostly on my farmland. I see this as my security for the future, but of course, I also want to invest in other things. I think I will build some rooms for tenants here or maybe I will invest in busses [for passenger transport]” (Resident no. 30 in Nyasaka, Mwanza). Property investments may form part of planning for retirement and/or old age, in a context where pension schemes are very limited. Rental housing is widely considered a suitable investment to make in preparation for retirement, because it is an easily manageable business, which generates stable income streams. Rental incomes also contribute to finance children’s education, in a context where high quality education can be a costly affair due to its association with private schools and universities. Many self-builders complain about the burden of financing tuition fees, and quite a few emphasize the need to finance tuition fees as a motivation for rental housing investments.

Urban property is widely perceived as a very secure investment, which will preserve household savings for the future and which cannot lose value over time. There is widespread anticipation among self-builders of benefiting from rising land values. Land brokers report persistent increases in land values since the early years of settlement, though land prices actually decreased in the three years prior to the study. Some explain this with vague references to the current political and economic situation, while a few specifically relate this to the policies of the current government that came into office in 2015. Self-builders generally have a long-term perspective on their investments and anticipate that land values will increase again.
Furthermore, current land values are interesting mostly if one is selling or using the property as security for a loan, and most self-builders have strong reservations towards both. The lack of formal titles does not seem to detract from the strong association between urban property and security, likely due to the relatively high degree of de-facto tenure security enjoyed by owners of informal land in the Tanzanian context. In other contexts, where lack of formal titles may be associated with greater risk and insecurity, the links between informal property and security may be more tenuous. While self-builders in both cities express similar sentiments with regards to urban property as security, property may be a less secure investment in a smaller secondary city like Mwanza compared to a primate city like Dar es Salaam. Urban property markets in Mwanza could be more vulnerable to boom-and-bust cycles of important regional industries, such as mining and minerals. Jønsson and Bryceson (2017) suggest that property in Mwanza is perceived as an attractive investment opportunity among workers in the booming artisanal mining industries.

Property investments are often highlighted as a key part of the inheritance for children and most self-builders express no interest in selling their property. However, property can be sold in case of severe emergencies, such as serious illness, accidents, loss of a spouse or other adverse life events. In the context of limited social security systems, selling land is an important strategy for households experiencing distress or economic hardships. Among the self-builders interviewed, six have sold a piece of land to manage a family emergency. House sales are less common, but according to brokers most house sales are also motivated by distress. An owner of several guest houses in Dar es Salaam was in the process of selling his family house in Kiembe Samaki due to economic problems: “I am clearly not rising economically, because I am actually selling this house to go build a smaller house further away from the city. Since 2015, the profits from my businesses are down to a third of what they were in previous years and my expenses are running out of control” (Interviewee no. 26 in Kiembe Samaki, Dar es Salaam). Several other business owners raise similar complaints about the harsh business environment of recent years, possibly related to the anti-corruption and tax efficiency policies enacted by the current government. However, not all business owners are struggling and there may be other causes for those who do, such as lack of skills, diminishing network, mis-management of investments or changing customer preferences.

Nevertheless, the current political and economic situation in Tanzania clearly exacerbates anxieties regarding unpredictability and precariousness of income sources. There is an evident discrepancy between the continuously high GDP growth rates (TNBS, 2019) and the widespread perception among interviewees of economic instability and diminishing economic opportunities. This might be explained with reference to economic growth being mainly driven by relatively capital-intensive sectors with limited capacity for job creation (World Bank 2019), though it also raises concerns about the accuracy of official data, particularly in light of the controversial Statistics Act of 2018, which initially prohibited publication of data in contradiction with official statistics (The Citizen 2019). The perceptions of economic instability in Tanzania could make urban property even more appealing as a source of security. This is the case for a couple of young professionals in Mzinga in Dar es Salaam, who have opted to invest most of their surplus savings in rental housing: “We don’t trust much other businesses, because the economic situation is very hard and too unpredictable. Whatever we get from our jobs, we use to develop our apartments [for rental purposes]. When we finish here, we will continue building in other areas” (Interviewee no. 27 in Mzinga, Dar es Salaam).

The significance of resourceful households in urban expansion processes

Self-builders are primary actors in opening up new land on the periphery for residential development. They are among the first to settle in newly developing areas, often in poorly accessible locations isolated from main roads and networked infrastructure. Initially, these areas are sprawling and thinly populated, but subsequent land subdivision and investments in rental housing contribute to infill development and...
densification over time. Densification is usually achieved through compact, low-rise housing, as there is very little vertical development even within the consolidated settlements. Over time, whole new residential areas come into existence through the piecemeal, incremental and uncoordinated property investments of individual households.

Moderately resourceful households are key actors in the development and consolidation of new residential areas on the periphery. These processes are, however, relatively inclusive and produce socially diverse neighbourhoods with a mixture of social groups and tenure forms. Self-builders’ investments in rental housing provide affordable housing for a wide range of tenants, who are accommodated alongside and in between self-builders of varying social status. Resourceful households commonly take a lead role in co-financing extensions of networked services, small-scale road improvements and coordinated lobbying efforts for settlement upgrading. Settlement consolidation is linked with economic consolidation of such households, as investments in services contribute to raise land and rental values and attract prospective tenants. However, improvements financed by resourceful households commonly benefit surrounding neighbours. Resourceful households may finance longer extensions of water or electricity networks, making it cheaper for surrounding neighbours to connect from there. Resourceful households invest in road improvements to make roads trafficable for their own private cars, but such improvements also contribute to attract public transport services. In Dar es Salaam, resourceful households drill deep boreholes ensuring a steady water supply for themselves and their neighbours. This is less common in Mwanza, where peripheral areas are relatively well-serviced by formal water supply (Three City Land Nexus Research Team, 2020).

New residential developments in the periphery are shaped by the persistent dysfunctionalities of the formal land allocation system and highly insufficient urban planning systems. The informal land market is the principal way of acquiring land, across social groups. Informal land transactions are often “formalized” through written sales agreements and approval of transactions from local sub-ward authorities. These quasi-formal practices appear relatively well-functioning, though there are anecdotes of corruption, double sales and on-going land disputes. However, the involvement of local authorities is usually limited to verification of ownership, as they have limited capacity to guide land subdivision and housing developments. Over time, the lack of guidance can result in a messy and haphazard plot layout, limited plot accessibility, road encroachment and crowding. Since all land is owned and developed by private households, it may become increasingly difficult to ensure land for communal purposes, such as roads, infrastructure, schools and health clinics. Early structures built in permanent materials are often hard to change at a later stage, which can make future upgrading more difficult. This is evident in the consolidated settlements in both cities, where decades of infill development has resulted in high densities, limited vehicular accessibility and challenges to settlement upgrading. This is less evident in the newly developing areas, possibly because greater vehicle ownership have made self-builders more aware of securing adequate space for trafficable roads and plot accessibility.

Conclusions

Africa’s middle classes have grown both in terms of size and purchasing power. They form a significant share of urban populations and command a majority of urban resources. While we share some of the reservations towards the middle class predicate for households remaining rather close to the poverty line, we do recognize that the growing share of Africans moving out of poverty represents a significant social change, which will have important implications for on-going urban transformations. This paper contributes to an emerging academic literature examining the spatial practices of Africa’s new and largely urban-based middle classes. This paper draws on insights from a study of urban property investments among self-builder households in Dar es Salaam and Mwanza. The focus is on households in the lower end of the spectrum,
which form the majority of and account for most of the remarkable growth of Africa’s middle classes (Darbon, 2018).

The research highlights the strong appetite for urban property among moderately resourceful households. Many invest in land and housing well beyond what is needed to meet their own shelter needs. Urban property serves as a key outlet for surplus household savings, as decades of economic growth have lifted many Tanzanians out of poverty and enabled the rise of a growing number of urbanites with sustained ability to accumulate savings. The research illuminates that property investments are crucial for understanding how moderately resourceful urban households, such as the self-builders in Dar es Salaam and Mwanza, strive to achieve the kind of long-term security and upwards social mobility commonly associated with the middle classes. We suggest that the focus on “urban property as security” is an important contribution to the emerging academic literature examining the spatial practices of Africa’s new middle classes. Previous studies highlight middle class housing as aspirational and a principal way for resourceful groups to differentiate themselves from less resourceful groups (Page and Sunjo, 2018; Mercer, 2014, 2018). This research draws attention to the very material aspects of urban property as livelihood assets, investment objects and a primary source of security for the new middle classes. Property investments are significant in long-term processes of asset accumulation, which may be crucial for households’ ability to overcome adversities and stay out of poverty in the long-term. Property investments may also enable upwards social mobility through intergenerational wealth transfers and investments in education for the next generation, as noted in previous studies (Marais et al., 2018; Moser and Felton, 2007; Moser, 2016). There are surprising parallels between the motivations and rationales expressed by the self-builders in Dar es Salaam and Mwanza and the “intrinsic appeal” of urban real estate described by Goodfellow (2017) in the context of a very different group of large private investors in Kigali and Addis Ababa. To some extent, it seems, that investment in land and housing is what resourceful people do with their savings, in the absence of alternative attractive investment options. Though, the impact of moderately resourceful groups compared to more affluent groups on urban transformations are of course rather different.

The notion of “urban property as security” is shaped by underlying vulnerabilities and persistent anxieties related to unpredictable and precarious income sources, highly limited social security systems and high up-front costs of high-quality health and education services. Widespread perceptions of economic instability in Tanzania exacerbate anxieties and make urban property an even more attractive investment object for small-scale savers. Similarly, Sumich and Nielsen (2020) describe how urban property is a primary vehicle for resourceful urbanites in Maputo to secure their position in a context of precariousness and political and economic instability. The global recession anticipated in the wake of the Covid-19 pandemic could further aggravate anxieties and fuel the desire to “build security” through urban property investments and self-builder strategies, though widespread economic hardships may also erode the ability to make such investments and the potential to generate income streams from especially rental housing investments.

The research highlights the growing middle classes as significant actors in the local housing systems, informal land markets and incremental construction practices commonly associated with the urban poor, in line with other recent studies (Bartels, 2019; Mbatha and Mchunu, 2016; Mercer, 2014, 2018; Page and Sunjo, 2018). The middle classes have the resources, skills and network to navigate informal land markets, coordinate extended construction processes, co-finance extension of networked services, lobby for settlement upgrading and outfit their compounds with on-site service solutions to make life comfortable in the periphery. With a clear parallel to the consolidation processes described by Bartels (2019), resourceful households commonly take a lead role in settlement upgrading through co-financing improvements and network extensions. While Bartels (2019) links settlement consolidation with legitimacy of land claims, this research suggests that settlement consolidation is also linked with economic consolidation of resourceful households. New residential developments in the periphery are shaped by the dysfunctionalities of informal land acquisition processes, but these processes also appear relatively inclusive and produce
socially diverse neighbourhoods with a mixture of social groups and tenure forms. Evidently, such processes are rather different from the exclusion and socio-spatial segregation associated with New City developments (Van Noorloos and Kloosterboer, 2018) and gated communities (Morange et al., 2012; Sumich and Nielsen, 2020). However, the gradual and piecemeal nature of improvements and network extensions may result in fragmentation in access to services across the urban territory, with the more peripheral and interior areas typically being relatively disadvantaged, conjuring up notions of “splintering urbanism” (Graham and Marvin, 2001).

The strong appetite for urban property among the growing middle classes fuels the growth and expansion of cities like Dar es Salaam and Mwanza, where new residential developments are continuously spreading into surrounding peri-urban and rural areas. This is the case not only in a large primate city like Dar es Salam, but also in a smaller secondary city like Mwanza. The development and consolidation of new residential areas in the periphery are shaped by the piecemeal, incremental and uncoordinated investments of individual households, much akin to the processes of “quiet encroachment” described by Bartels (2019). These informal urban expansion processes are not particular to Tanzanian cities, but share many similarities with the “peri-urbanization” and “suburbanization” processes described in previous studies (Bartels, 2019; Mbatha and Mchunu, 2016; Mercer, 2014, 2018; Page and Sunjo, 2018). As Mercer (2018) notes, these processes take place largely outside of the circuits of international capital, as self-builders rely on accumulated household savings and have limited access to housing finance. While there is arguably an element of speculation in the property investments of self-builders in Dar es Salaam and Mwanza, they still seem far removed from the “speculative urbanism” of high-end real estate projects described by Watson (2014) and Goodfellow (2017). Rather, this research draws attention to incremental property investments as a common and ordinary practice among moderately resourceful households and the significance of such practices in fueling and shaping the informal urban expansion. Outside the central business districts, this is how most new urban residential areas are built and also how the vast majority of urbanites are accommodated in the cities. We suggest that such a focus on middle class’ spatial practices provides a more nuanced understanding of urban expansion processes beyond common themes of informality, poverty and service deficits.

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