

**The role of socio-economic factors in house pricing in Tanzania: the case of Ilala municipal council.**

**Edward Deusdedith Mulindwa.**

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This study examined the role of socio-economic factors in house pricing in Tanzania. The focus of the study was to understand to what extent attributes of socio-economic variables namely; interest rate, inflation rate, location of house and level of income have played role in house pricing in, in Tanzania. The study employed quantitative research approach whereby questionnaire and interview guide were used as tools for primary data collection from 220 respondents whereby regression inferential data were analyzed data. The findings of this study have revealed that inflation rate, interest rate, per capita income and location of the house had great impacts in house pricing. The findings of the study revealed a positive relationship between interest rate and house pricing where the value of rental property, banking lending conditions, deflation, and housed market inventory were the main inflation factors that have influenced house pricing. Also, Inflation plays an important role in house pricing by reducing the purchasing power, determination of cost of procuring rents, house maintenance, country price stability and periodic house contracts. However, the study showed inflation did not have effects on the ability of house owners to pay debts or rather house related costs and influence house pricing. In addition, the house location factor revealed that infrastructure and communication network, distance of the house from the business center, house middlemen, prestige of an area, local social amenities have influence on house pricing. Considering the role played by these factors, it is clear that Tanzania housing sector should have a link in addressing both positive and negative impacts to ensure that housing sector is improving its markets.