

Risk management in real estate investment project in Tanzania: the case of National Social Security Fund

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Risk management has substantial influence on real estate investment project achievements in Tanzania. Project failures result from time, cost and poor quality because of little attention given to management of risks involved during investments. The study aimed at assessing risk management in real estate investment projects in Tanzania. It sought to identify the extent of particular risks, knowledge and understanding in real estate investment projects. Also, it analyzed achievement levels of National Social Security Fund (NSSF) investment objectives as well as tools available to manage risks in real estate investment. The methodology adopted in carrying out this research included literature reviewed, data collection through discussions and interviews with NSSF Officials. The findings indicate that NSSF recognizes systematic risks inherent in investments undertaken by the fund. Thus, it calls for total risks that NSSF takes in an appropriate manner. Furthermore, the study indicates that the Fund manages risks through diversification strategies, use of specific benchmarks and comprehensive monitoring of investment activities. Finally, lack of understanding and knowledge of risks associated with real estate investment projects is one of the problems faced by real estate investors in Tanzania.