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FACULTY OF COMMERCE

DEPARTMENT OF INTELLIGENCE AND SECURITY STUDIES

EVALUATING MONEY LAUNDERING VULNERABILITIES IN HARARE'S REAL ESTATE SECTOR, ZIMBABWE. A CASE STUDY OF HARARE METROPOLITAN PROVINCE.

BY

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DEDICATION

To my both parents Ms Petronella and Ms Agnes- you are the heart behind everything I have achieved. From the very beginning, you have been my safe place, my strength when I felt weak, and the voice that reminded me I could keep going even when things got hard. Your love has been quite but constant, your sacrifices unseen but never forgotten. You believed in me long before I believed in myself, and you carried me with your prayers, your encouragement and your unwavering faith in who I could become. Thank you for teaching me what it means to work hard, to stay humble, and to never give up. Every page of this dissertation carries a piece of your love and sacrifice. And above all, I thank God who walked with me every step of this journey, His grace has been my anchor, His strength my daily renewal **"**Commit to the Lord whatever you do, and He will establish your plans**" Proverbs 16 vs 3**

ABSTRACT

This study evaluated money-laundering vulnerabilities in Harare's real-estate sector in Zimbabwe. The research was motivated by concern that property transactions provide attractive channels for integrating illicit funds because they combine high values, extensive cash use, weak beneficial ownership transparency and uneven anti-money-laundering enforcement. The study had four objectives: to identify the major risk factors in Harare's real-estate transactions and market practices; to assess the effectiveness of the existing anti-money-laundering regulatory and supervisory framework; to examine the role of designated non-financial businesses and professions and public institutions in enabling or constraining vulnerability; and to analyse the transaction patterns and ownership structures associated with heightened laundering exposure. A pragmatist philosophy and a descriptive mixed-method case study design were adopted. Data were drawn from 72 valid questionnaire responses, a structured compliance audit of 40 estate agencies, interviews with key informants, and a review of 240 Harare real-estate transactions. Quantitative data were analysed using frequencies, percentages, cross-tabulations and chi-square tests, while qualitative data were analysed thematically. The study found that cash and mixed-payment transactions were prominent in the reviewed market and that weak beneficial ownership transparency, third-party involvement, valuation anomalies and title irregularities were major red flags. Although many agencies were registered on goAML, substantive compliance remained uneven in staff training, enhanced customer due diligence, suspicious transaction reporting and independent audit. Statistically significant associations were observed between training status and regular suspicious transaction reporting, and between payment method, ownership transparency and transaction risk level. The study concludes that Harare's property market remains materially vulnerable where cash intensity, ownership opacity and institutional weakness intersect. It recommends stronger risk-based supervision, accelerated digitisation of registry systems, improved beneficial ownership transparency, regular AML training and tighter enforcement of compliance obligations. The findings support stronger collaboration between regulators, registries, estate agents and financial institutions in Zimbabwe's urban property market.

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CHAPTER ONE

1.1 INTRODUCTION

This chapter introduces the study and sets out the background to the problem, the problem statement, the purpose and objectives of the study, the research questions, the significance of the study, the assumptions, delimitations, limitations, key terms and a short chapter summary.

1.2 Background to the Study

Globally, the real estate sector remains a recognized channel for integrating illicit funds into the formal economy because property can absorb large values, preserve wealth and disguise ownership through complex structures. The Financial Action Task Force (FATF) observes that criminals are attracted to real estate and that the sector frequently shows a weak understanding of money-laundering risks, especially where beneficial ownership information is not readily available and customer due diligence is poorly applied (FATF, 2022). In a European Parliamentary Research Service briefing, common mechanisms of abuse include cash or opaque financing, under-valuation and over-valuation, shell companies, trusts, third-party purchasers, suspicious mortgage arrangements, rental income used to legitimize illicit funds, and property renovations used to recycle criminal proceeds (European Parliamentary Research Service, 2019). Recent reviews likewise identify real estate as a recurring channel in the broader money-laundering literature and point to the need for more sector-specific and context-sensitive analysis (Tiwari, Gepps and Kumar, 2020; Isola Uri and Ameer, 2023).

Across emerging and developing economies, the vulnerabilities of real estate markets are often intensified by informality, cash-intensive trading patterns, weak registries, and uneven supervisory capacity. Dote-Pardo and Severino-González (2025) note that research on money laundering in emerging countries continues to reveal significant knowledge gaps, especially in small and vulnerable economies. A recent study on real estate anti-money laundering in the Global South further argues that legal and policy models designed for highly formalized markets do not always fit developing-country realities, where state capture, informal finance, construction-based laundering and wider ecosystems of enablers shape property transactions in distinctive ways (Springer Link, 2025). Evidence from Lusaka shows that weak AML knowledge among real estate practitioners, low levels of suspicious transaction reporting, weak customer due diligence and poor internal controls can materially increase exposure to laundering risks in property markets that resemble Zimbabwe in institutional and economic terms (Chisenga, 2021).

In Zimbabwe, the issue is no longer hypothetical. The 2024 National Money Laundering Risk Assessment classifies the real estate sector as a medium-high money-laundering risk because of the cash-intensive nature of the economy, high-value transactions, sectoral opacity and still-inadequate compliance with AML/CFT obligations (FIU, 2024). The same assessment reports that proceed of crime have been used to buy land and buildings and to finance the construction of houses, business premises and service stations. It also highlights concrete institutional weaknesses, including fake title deeds, double allocation of stands, the absence of a digitalized and centralized deeds registry, incomplete beneficial ownership registration, and resource constraints within the Estate Agents Council (FIU, 2024). Zimbabwean AML scholarship similarly argues that weak enforcement, inadequate detection systems and limited institutional capacity continue to undermine the effectiveness of the national response to money laundering (Chitimira and Ncube, 2021).

Although the Zimbabwean literature increasingly acknowledges that real estate agents and related designated non-financial businesses and professions (DNFBPs) are important AML gatekeepers, much of the available work focuses on legal compliance, policy reform and national-level risk discussion rather than on a bounded local property market where the concrete vulnerabilities can be examined in detail (Maguchu, 2017; Chitimira and Ncube, 2021; FIU, 2024). The intention is to move from broad national commentary to a more focused examination of how transaction features, ownership opacity, institutional weaknesses and DNFBP conduct interact to create money-laundering vulnerability in Harare's real estate sector. The present study therefore seeks to generate a context-grounded account of risk and to propose practical mitigation measures relevant to Zimbabwean regulators, practitioners and scholars.

1.3 Statement of the Problem

Zimbabwe has adopted anti-money-laundering standards and formally recognizes the real estate sector as a significant area of exposure, yet the sector remains vulnerable to abuse through cash-based transactions, opaque ownership arrangements, weak registry infrastructure and uneven supervisory capacity (FIU, 2024; FATF, 2022). In Harare, where the study is now specifically located, the combination of high-value property transactions and the broader national context of informality make the sector especially suitable for disguising illicit wealth. The central problem is that, despite the existence of laws, directives and institutional mandates, there is still insufficient empirical understanding of which vulnerabilities are most pronounced in practice, how effective current AML controls actually are, how DNFBPs and public institutions either constrain or enable risk, and which transaction or ownership patterns should

be treated as serious warning indicators. Without such evidence, AML compliance may remain largely formal and reactive instead of genuinely risk-based and preventive (Chitimira and Ncube, 2021; Rodzi et al., 2025). The study therefore addresses a practical and scholarly gap by evaluating money-laundering vulnerabilities within a clearly defined real estate case study in Harare.

1.4 Purpose of the Study

The purpose of this study is to evaluate money-laundering vulnerabilities in Harare's real estate sector and to propose context-appropriate measures for strengthening anti-money-laundering controls in the sector.

1.4.1 General Objective

To evaluate the vulnerabilities to money laundering in Harare's real estate sector in Zimbabwe.

1.4.2 Specific Objectives

1) To identify the key money-laundering risk factors inherent in real estate transactions and market practices in Harare.
2) To assess the effectiveness of the existing AML regulatory framework and supervisory mechanisms applicable to Harare's real estate sector.
3) To examine the role of DNFBPs and relevant public institutions in enabling or constraining money-laundering risks in Harare's real estate sector.
4) To analyze the transaction patterns and ownership structures associated with elevated money-laundering exposure in Harare's real estate sector.

1.5 Research Questions

1) What is the main money-laundering risk factors in Harare's real estate transactions and market practices?
2) How effective are the current AML laws, regulatory controls and supervisory arrangements in mitigating money-laundering risks in Harare's real estate sector?
3) What roles do DNFBPs and key public institutions play in enabling or constraining money-laundering risks in Harare's real estate sector?
4) Which transaction characteristics and ownership structures are most strongly associated with elevated money-laundering exposure in Harare's real estate sector?

1.6 Significance of the Study

The study is significant to **policy-makers and regulators** because it translates broad AML concerns into a case-specific assessment of vulnerabilities within a defined property market. By identifying how cash-intensity, registry weaknesses, beneficial ownership opacity and supervisory gaps interact in Harare, the study can support more targeted risk-based supervision by the Financial Intelligence Unit and the Estate Agents Council, both of which the national risk assessment has already identified as central to sector oversight (FIU, 2024; FATF, 2022).

The study is also important to **real estate practitioners and other DNFBPs**, including estate agents, conveyancers and legal practitioners. These actors occupy a gatekeeping position in property transactions, yet the literature shows that weak AML knowledge, low reporting rates and poorly developed internal controls continue to expose the sector to abuse (Chisenga, 2021; Chitimira and Ncube, 2021). The findings may therefore help practitioners strengthen customer due diligence, source-of-funds checks, beneficial ownership verification and suspicious transaction reporting.

For scholars, the study contributes to a still-developing body of African and Zimbabwean literature on real estate money laundering. Reviews of the field continue to highlight research gaps in emerging economies and the need for more context-specific empirical work that connects legal frameworks, institutional behaviour and sectoral practices (Tiwari, Gepps and Kumar, 2020; Dote-Pardo and Severino-González, 2025). By focusing on Harare rather than treating Zimbabwe as a uniform national case, the study provides a more analytically manageable and academically defensible unit of enquiry.

The study is further significant **to property buyers, sellers, investors and the wider public** because weak AML controls in real estate can undermine market integrity, facilitate fraud and erode trust in title systems. The 2024 national risk assessment specifically notes fake deeds, fictitious stands and double allocation schemes as part of the vulnerability picture (FIU, 2024). A better understanding of these vulnerabilities is therefore relevant not only to compliance officials but also to households and firms that depend on secure and transparent property markets.

1.7 Assumptions of the Study

This study assumes that participants drawn from the real estate and regulatory environment will provide sufficiently honest and professionally informed responses for the purposes of

analysing sector vulnerabilities. Because money laundering is a sensitive subject, the study recognizes that full disclosure cannot be guaranteed; however, it assumes that carefully framed questions, confidentiality assurances and the use of documentary triangulation can yield credible evidence.

The study further assumes that documentary and policy materials used in the inquiry, such as official risk assessments, legal instruments, circulars and professional guidance, provide a reasonably accurate account of the formal AML environment within which Harare's real estate sector operates. This assumption is necessary because the study evaluates vulnerability partly through an examination of rules, institutional mandates and reported sectoral weaknesses.

Finally, the study assumes that the Harare case study is sufficiently representative of high-risk urban property dynamics to generate analytically useful conclusions about real estate money-laundering vulnerability in Zimbabwe. The study does not assume that Harare is identical to all other localities; rather, it assumes that the city offers a relevant urban setting for examining the interaction of high-value transactions, gatekeeper behaviour and institutional controls.

1.8 Delimitations of the Study

Geographically, the study is delimited to Harare Metropolitan Province. This boundary responds directly to the need to make the dissertation feasible and analytically focused. Instead of attempting to cover the whole of Zimbabwe, the study concentrates on one clearly defined urban property market in which regulatory exposure, institutional interaction and transaction complexity can be examined in sufficient depth.

Conceptually, the study is delimited to money-laundering vulnerabilities in the real estate sector. The concern is not to prove specific criminal cases beyond doubt, but to evaluate the conditions, practices, institutional weaknesses and transaction patterns that make abuse more likely. The analysis therefore focuses on risk factors, the effectiveness of controls, the role of key actors and the warning signs embedded in ownership and transaction structures.

Temporally, the study is delimited to the contemporary AML environment reflected in sources and developments from roughly 2019 to 2025. This period captures the most current phase of policy discussion, regulatory guidance and risk assessment relevant to the case study. The use of recent literature also aligns with the requirement to rely on sources published from 2015 onwards.

1.9 Limitations of the Study

A major limitation of the study is the sensitivity of money laundering as a subject. Participants in the real estate and regulatory sectors may be reluctant to discuss weaknesses candidly because of reputational, legal or professional concerns. This limitation may produce partial disclosure or socially desirable responses. To reduce this risk, the study relies on triangulation between interview material, official documents and published literature rather than on a single source of evidence.

A second limitation is that real estate money laundering is often concealed behind legitimate-looking transactions and opaque ownership vehicles. As a result, the study may identify vulnerability and exposure more readily than it can directly verify illicit intent or criminal proceeds in every case. This limitation is addressed by treating suspicious indicators, institutional weaknesses and documentary evidence as proxies of vulnerability rather than as conclusive proof of offending.

A third limitation concerns access to detailed transaction and ownership data. The national risk assessment itself points to weaknesses in registry systems and incomplete beneficial ownership information (FIU, 2024). These data constraints may limit the extent to which every ownership chain can be traced with precision. The study responds to this challenge by interpreting documentary gaps as analytically significant in themselves, since opacity is one of the vulnerabilities under investigation.

1.10 Definition of Key Terms

Money laundering refers to the process by which criminal proceeds are disguised so that they appear to come from legitimate sources or lawful activity (FATF, 2022). In the context of this study, money laundering is examined through its relationship with property acquisition, ownership concealment and the integration of illicit funds into the real estate market.

Real estate sector refers to the network of activities and actors involved in the buying, selling, leasing, development, financing and transfer of immovable property. For AML purposes, the sector includes not only properties themselves but also intermediaries and gatekeepers such as estate agents, lawyers and other professionals involved in property transactions (European Parliamentary Research Service, 2019; FATF, 2022).

Beneficial ownership refers to the natural person or persons who ultimately own, control or benefit from a legal entity or transaction, even where another company, trust or nominee appears as the formal owner. Beneficial ownership transparency is a core AML concern because

opaque legal structures can conceal the true source and destination of funds (FATF, 2022; Transparency International, 2025).

Designated non-financial businesses and professions (DNFBPs) are non-bank actors that are nevertheless subject to AML obligations because they may act as gatekeepers to financial or asset transactions. In the Zimbabwean real estate context, DNFBPs include estate agents and other professionals involved in the buying and selling of immovable property (Chitimira and Ncube, 2021; Maguchu, 2017).

Vulnerability, as used in this study, refers to the degree to which a sector, institution, transaction type or market practice is susceptible to abuse for money laundering. It reflects weaknesses in controls, opacity in ownership, risky payment methods, weak supervision and other conditions that lower the barriers to laundering (FIU, 2024; Riccardi, Milani and Camerini, 2019).

Risk-based approach refers to an AML approach in which institutions and supervisors identify, assess and prioritize higher-risk customers, products, transactions and sectors so that controls are proportionate to the severity of risk. In the real estate sector, this includes stronger due diligence, beneficial ownership checks, enhanced scrutiny and targeted supervisory action where exposure is highest (FATF, 2022).

1.10 Chapter Summary

Chapter One has established the foundation of the study by showing that real estate money laundering is a recognized global and local problem, and that the Harare real estate sector offers a practical and analytically defensible case through which to evaluate sector vulnerabilities. The chapter clarified the research problem, purpose, objectives and questions; explained the value of the study to regulators, practitioners, scholars and the public; and set out the assumptions, delimitations, limitations and key concepts that shape the inquiry. The next chapter reviews the theoretical, conceptual and empirical literature relevant to money-laundering vulnerability in real estate.

CHAPTER TWO LITERATURE REVIEW

2.1 Introduction

This chapter reviews the literature relevant to money-laundering vulnerabilities in Harare's real estate sector. It covers the theoretical framework that underpins the study, the conceptual framework used to organize the major variables and relationships, and the empirical literature aligned to each of the study objectives. The chapter ends with a summary of previous studies and a justification of the present study based on the gaps that emerge from the reviewed literature.

2.2 Theoretical Framework

This section focuses on the theories and analytical lenses that underpin the study. The review adopts situational crime prevention as a theory of opportunity reduction in money laundering, uses an institutional lens to explain how compliance behaviour is shaped by regulatory and professional pressures, and treats the risk-based approach as the practical logic through which AML systems should prioritize the highest vulnerabilities.

2.2.1 Situational Crime Prevention

Gilmour (2016) tests situational crime prevention in the money-laundering context and shows that the approach is useful because it focuses on interrupting the laundering process by changing the opportunities available to offenders. More recent literature on situational crime prevention continues to describe it as an opportunity-reduction approach organized around strategies and techniques that make offending harder, riskier and less rewarding. Applied to real estate, the theory directs attention away from abstract criminal intent and towards the practical transaction settings that permit laundering: anonymous ownership vehicles, poorly checked cash purchases, weak source-of-funds verification, inconsistent valuation scrutiny, inadequate record keeping and limited gatekeeper intervention (Gilmour, 2016; European Parliamentary Research Service, 2019).

The relevance of situational crime prevention to this study lies in its practical orientation. If laundering through property becomes easier where intermediaries do not ask questions, where registries are opaque, or where suspicious valuation patterns pass without scrutiny, then prevention should target those opportunity structures. In Harare, where the national risk assessment points to cash intensity, fake deeds, incomplete beneficial ownership information and limited supervisory resources, situational prevention supports measures such as enhanced due diligence, stronger documentary verification, better registry checks and more consistent

suspicious transaction reporting (FIU, 2024; FATF, 2022). The theory is therefore useful because it links vulnerability to preventable weaknesses in the transaction environment.

2.2.2 Institutional Theory Lens

An institutional perspective is useful for explaining why organizations may adopt AML rules formally while implementing them unevenly in practice. Rodzi et al. (2025) apply institutional theory to AML governance and argue that compliance behaviour is shaped by coercive pressures from regulators, mimetic pressures arising from imitation of peer organizations, and normative pressures tied to professional expectations and industry standards. The study further shows that AML governance can become a form of cultural performance in which institutions appear compliant for legitimacy reasons while the underlying risk-management culture remains weak (Rodzi et al., 2025).

This institutional lens is highly relevant to Harare's real estate sector. FATF guidance stresses the need for training, outreach and supervisory effort because sector participants often have a poor understanding of their risks (FATF, 2022). The Zimbabwean literature likewise points to inconsistently enforced rules and weak institutional capacity, conditions under which legal compliance may drift towards symbolic box-ticking rather than effective prevention (Chitimira and Ncube, 2021). Through this lens, weaknesses in Harare are not explained only by individual misconduct; they are also produced by the institutional environment, including the quality of supervision, the credibility of enforcement, the behaviour of professional gatekeepers and the strength of organizational compliance culture.

2.2.3 Risk-Based Approach as an Analytical Lens

Although not a standalone theory in the strict sense, the risk-based approach is an essential analytical lens for this study because it sets out how AML controls should be applied in practice. FATF (2022) emphasizes that the real estate sector should identify, understand and mitigate the risks it faces rather than rely on uniform or mechanical compliance. The approach requires stronger controls where customers, transaction structures, payment methods, ownership patterns or jurisdictions present higher exposure. In Zimbabwe, the 2024 national risk assessment reinforces this logic by identifying real estate as a medium-high-risk sector and by calling attention to beneficial ownership opacity, registry weaknesses and supervisory capacity constraints (FIU, 2024).

For this dissertation, the risk-based approach helps to connect the empirical findings back to policy relevance. It provides the framework for asking whether current supervisory and

compliance responses in Harare are proportionate to the actual sectoral vulnerabilities identified in the study. In this way, the approach serves as the bridge between diagnosis and recommendation.

2.3 Conceptual Framework

The conceptual framework for this study treats money-laundering vulnerability in Harare's real estate sector as the outcome of an interaction between contextual drivers, institutional conditions, actor behaviour and transaction-level signals. The first set of constructs consists of contextual drivers such as cash intensity, informality and opacity in ownership records. The second set consists of institutional conditions, including the quality of supervision, the capacity of registries, the availability of beneficial ownership information and the credibility of enforcement. The third set concerns actor behaviour, especially the conduct of DNFBPs and relevant public institutions in customer due diligence, record keeping, suspicious transaction reporting and documentary verification. The fourth set concerns transaction-level signals, such as all-cash deals, unexplained valuation anomalies, third-party purchasers, shell companies, trusts, nominee arrangements and irregular title documentation (FATF, 2022; European Parliamentary Research Service, 2019; Transparency International, 2025).

The framework operationalizes the study objectives as follows. Objective one focuses on contextual and transaction-level risk factors. Objective two examines the regulatory and supervisory environment within which risk is managed. Objective three explores the behaviour of DNFBPs and public institutions as gatekeepers or enablers. Objective four focuses on the ownership and transaction patterns that function as red flags for elevated exposure. The dependent construct is the overall money-laundering vulnerability profile of Harare's real estate sector. The risk-based approach operates as a feedback mechanism: where risk factors and opacity are highest, stronger controls and supervisory responses should follow.

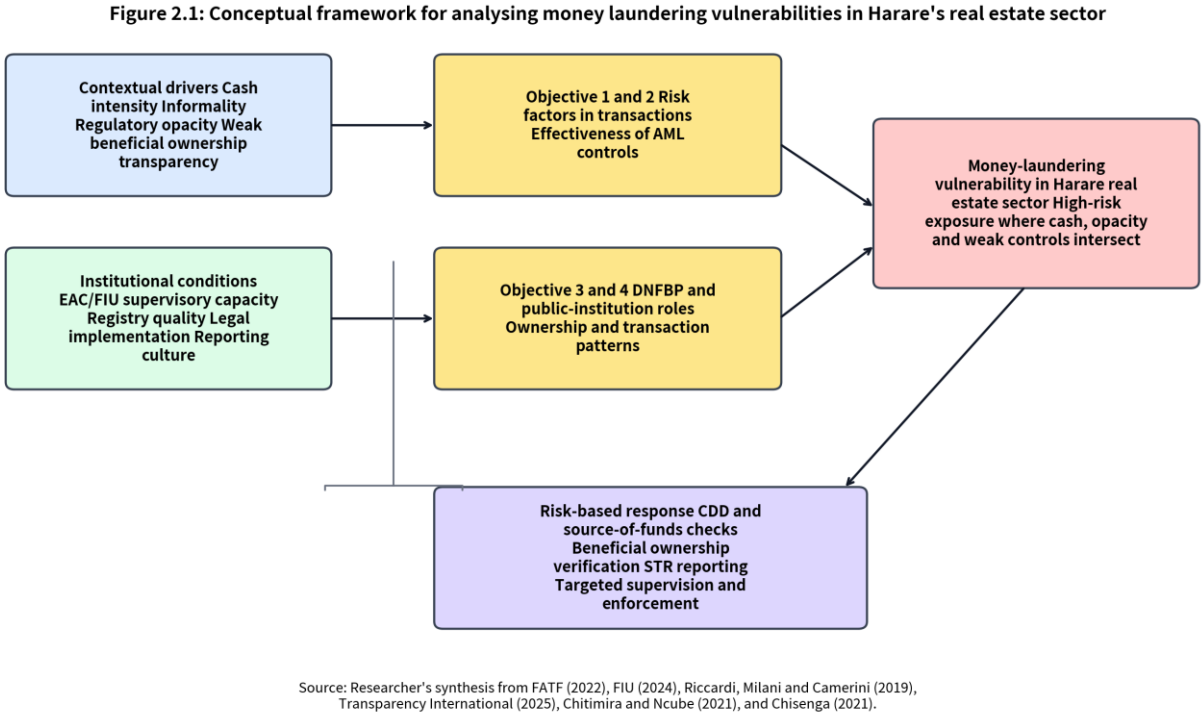

Figure 2:1 Conceptual framework for analysing money-laundering vulnerabilities in Harare's real estate sector

Source: Researcher's synthesis from the reviewed literature.

2.4 Empirical Literature Review

The empirical review is organized according to the four specific objectives of the study. For each objective, the discussion focuses on the purpose of the previous study, its context, methodology where identifiable, the principal findings and the relevance of those findings to the present inquiry.

2.4.1 Literature on money-laundering risk factors in real estate transactions and market practices

Sclafani and Lavorgna (2020) undertake a systematic review of literature on money-laundering schemes through real estate markets. Their review is important because it consolidates fragmented evidence on how property markets are exploited and confirms that real estate offers a durable mechanism for integrating illicit funds into the legitimate economy. The value of the study for the present dissertation lies in its systematic character: it shows that property-related laundering is not an isolated anomaly but a recurring pattern across jurisdictions, thereby justifying focused inquiry into specific local markets such as Harare.

Using a descriptive cross-sectional design based on FATF standards, Chisenga (2021) investigates the factors that lead to money laundering among selected real estate agents in

Lusaka, Zambia. The study combines quantitative and qualitative evidence and finds that weak AML knowledge, low rates of suspicious transaction reporting, poor adherence to customer due diligence and know-your-customer procedures, and ineffective internal controls are key drivers of vulnerability. The Zambian case is especially relevant to Harare because it demonstrates that vulnerability in Southern African real estate markets is often rooted not only in legal loopholes but also in weak practitioner capacity and under-developed internal compliance systems.

The Zimbabwean national risk assessment provides the strongest current local evidence on sectoral risk. The FIU (2024) identifies real estate as a medium-high-risk sector and attributes this classification to the cash-intensive economy, high-value transactions, sectoral opacity and gaps in compliance. It also documents the use of criminal proceeds to acquire land and buildings and highlights fake deeds, replacement of genuine title deeds, double allocation of stands and fictitious stand allocation as concrete expressions of risk. Although the national risk assessment is not a localized Harare study, it establishes the contemporary Zimbabwean baseline from which the present case study proceeds.

The Global South literature extends this discussion by showing that vulnerabilities in developing-country property markets are embedded in broader institutional and economic conditions. The Springer Link (2025) article on real estate anti-money laundering in the Global South reviews academic and grey literature through a business ecosystem approach and concludes that cash intensity, state capture, informal financial systems and construction-based laundering complicate the application of standard AML models. Its value for the present study lies in showing that Harare should not be analysed through a purely formal compliance lens: local vulnerabilities must be understood in relation to the wider structure of the market.

2.4.2 Literature on the effectiveness of AML regulatory frameworks and supervisory mechanisms

FATF (2022) provides updated guidance on the risk-based approach for the real estate sector and argues that the sector often has a poor understanding of money-laundering risk and frequently fails to mitigate that risk adequately. The guidance is global in scope and practice-oriented in method, drawing on supervisory experience and consultation with public and private stakeholders. It emphasizes effective customer due diligence, access to beneficial ownership information, training, outreach and regular supervisory effort. The importance of the document to the present study is that it sets the benchmark against which the effectiveness of Harare's regulatory and supervisory arrangements can be discussed.

Chitimira and Ncube (2021) examine Zimbabwe's AML/CFT framework and conclude that the country continues to struggle with inadequate laws, inconsistent enforcement, poor detection systems and limited institutional resources. Their work is doctrinal and policy-analytical in nature, with a particular concern for enforcement deficits and the limited technological capability of the national AML framework. For the present study, the article is valuable because it shows that the problem in Zimbabwe is not simply the absence of formal rules. Rather, the challenge lies in the gap between nominal compliance with international standards and effective implementation in practice.

Transparency International's OREO Index (2025) evaluates property transparency and AML vulnerability across twenty-four major jurisdictions. Its comparative assessment shows that weak data ecosystems, limited beneficial ownership disclosure, loopholes for foreign companies and insufficient regulation of property professionals materially undermine AML effectiveness. The report recommends mandatory beneficial ownership disclosure for legal entities, stronger supervision by independent state bodies and more open, machine-readable property data. Even though the index is global rather than Zimbabwe-specific, it offers a clear evaluative standard for judging whether current arrangements in Harare are sufficiently transparent and supervisory responses sufficiently robust.

Rodzi et al. (2025) contribute a conceptual but practically relevant perspective by arguing that AML governance may become performative where institutions adopt technology and compliance structures mainly for legitimacy, not for substantive risk management. The study identifies regulatory ambiguity, leadership framing and organizational culture as central to the quality of AML implementation. In relation to Harare, the implication is that the effectiveness of the regulatory framework must be judged not only by the presence of directives, but also by whether sector actors genuinely internalize and operationalize AML obligations.

2.4.3 Literature on the role of DNFBPs and public institutions in enabling or constraining risk

Zimbabwean scholarship clearly places DNFBPs within the AML perimeter. Chitimira and Ncube (2021) note that professionals such as lawyers, accountants, company secretaries and real estate agents are obliged to comply with major FATF recommendations and are required to identify customers, keep records and report suspicious transactions. The study is especially important because it treats DNFBPs not as peripheral actors but as institutions whose conduct can either block or facilitate the laundering of proceeds through property transactions.

Maguchu (2017), in a study of money laundering, lawyers and presidential intervention in Zimbabwe, discusses the role of professionals involved in activities such as buying and selling real estate. Although the article is cantered on legal practice, it is relevant to the present dissertation because it highlights the gatekeeping role of professionals who stand between illicit wealth and lawful-looking transactions. It therefore supports the argument that the vulnerability of Harare's real estate sector cannot be understood without examining how professional intermediaries behave within the transaction chain.

The 2024 national risk assessment extends this argument by turning attention to public institutions. The FIU (2024) reports that access to beneficial ownership information remains limited because many companies have not fully re-registered, and it identifies resource constraints in the Estate Agents Council as a serious weakness relative to the sector's risk profile. It also notes that the lack of a digitalized and centralized deeds registry enables title manipulation and fraud. These findings are directly relevant to the current study because they show that institutional vulnerability is not restricted to private gatekeepers; it also arises from the state infrastructures on which property transparency depends.

FATF (2022) and Transparency International (2025) further reinforce the gatekeeper argument by insisting that professionals involved in real estate transactions must conduct meaningful beneficial ownership checks and that supervision should be effective, independent and properly resourced. Together, these studies frame DNFBPs and public institutions as the decisive interface between risk recognition and risk control. This makes their conduct central to any assessment of Harare's real estate AML vulnerability.

2.4.4 Literature on transaction patterns and ownership structures associated with elevated exposure

Riccardi, Milani and Camerini (2019) develop a quantitative methodology for measuring money-laundering risk across 110 Italian provinces using a composite indicator of threats and vulnerabilities. Their model includes cash intensity, opacity of business structure, tax evasion and organized crime indicators. Methodologically, the study is valuable because it shows that money-laundering risk can be analysed through a structured combination of threat and vulnerability indicators rather than through impressionistic judgement alone. For Harare, the key transferable lesson is that transaction behaviour and ownership opacity can be treated as measurable warning domains even where direct criminal proof is difficult to obtain.

The European Parliamentary Research Service (2019) offers a typological analysis of money laundering through real estate transactions and identifies red flags such as discrepancies

between the purchaser's apparent wealth and the property value, anonymous ownership, unexplained valuation anomalies, repeated resale at rising prices, use of third parties, shell companies or trusts, use of suspicious lenders, indifference to negotiation, and purchases made without even viewing the property. Although the briefing is not country-specific, it is empirically useful because it catalogues the kinds of transaction and ownership structures that investigators and compliance professionals should treat as suspicious.

Transparency International (2025) adds a structural dimension by showing that anonymous or weakly disclosed ownership remains one of the most serious global vulnerabilities in property markets. The OREO Index finds that many jurisdictions do not require legal entities, especially foreign companies, to disclose beneficial owners in property transactions and that fragmented or inaccessible registers hinder scrutiny by authorities and watchdogs. In analytical terms, the study demonstrates that suspicious ownership structures are not merely a transaction-level issue; they are made possible by defects in the information environment.

Zimbabwe's own risk assessment makes the relevance of these patterns unmistakably local. The FIU (2024) reports fake deeds, title substitution, double allocation of stands and fictitious stand allocation as part of the sector's vulnerability profile, while also stressing incomplete beneficial ownership information and a non-digitalized registry. These findings show that in Harare, as in other vulnerable markets, suspicious ownership arrangements and suspicious transaction characteristics are tightly intertwined.

2.5 Summary of Previous Studies and Justification of the Present Study

The reviewed literature reveals several gaps that justify the present study. First, there is a geographical and contextual gap. Much of the available evidence either comes from global and comparative reports or from other jurisdictions such as Zambia and Italy (Chisenga, 2021; Riccardi, Milani and Camerini, 2019; Transparency International, 2025). Zimbabwe-specific work exists, but it is largely national and regulatory in orientation rather than focused on a single urban property market. The present study addresses this by concentrating on Harare as a bounded case study.

Second, there is a methodological gap. Reviews and policy documents provide strong typologies and risk indicators, yet fewer studies combine transaction-level, institutional and gatekeeper perspectives within one integrated framework. The present study responds by examining risk factors, regulatory effectiveness, DNFBP and public-institution roles, and ownership/transaction patterns together rather than in isolation.

Third, there is a sectoral and operational gap. The literature consistently acknowledges the role of real estate professionals and registries, but it often stops at legal obligations or high-level guidance instead of showing how those obligations are enacted or weakened in practice within a specific market (FATF, 2022; Chitimira and Ncube, 2021). By focusing on Harare, the study seeks to move from compliance language to vulnerability analysis.

Fourth, there is a theoretical gap. Recent work suggests that AML governance may be shaped by opportunity structures, institutional pressures and risk-based logic, yet these perspectives are rarely integrated in studies of Zimbabwean real estate. The conceptual framework developed in this dissertation therefore brings situational, institutional and risk-based insights into one explanatory model tailored to the Harare case.

Taken together, these gaps justify the present study as a context-specific, analytically integrated and policy-relevant contribution to the literature on money-laundering vulnerability in real estate.

2.6 Conclusion

Chapter Two has reviewed the theoretical, conceptual and empirical literature relevant to money-laundering vulnerabilities in Harare's real estate sector. The literature shows that real estate is internationally recognized as a high-risk channel for laundering because of its capacity to absorb large values, conceal ownership and normalize illicit wealth through apparently lawful transactions. It also shows that in emerging and developing contexts, vulnerabilities are deepened by informality, cash intensity, weak registries and uneven institutional capacity. The chapter identified situational crime prevention, institutional analysis and the risk-based approach as the most useful lenses for the present study and demonstrated that previous studies leave a clear gap for a focused Harare case study. The next chapter would ordinarily set out the research methodology through which the study will investigate these issues empirically.

CHAPTER THREE RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the methodology that guided the study on money-laundering vulnerabilities in Harare's real estate sector. The chapter explains the research design, the study population and sampling procedures, the research instruments, the data collection procedures, and the data presentation and analysis procedures. The chapter also discusses issues of validity, reliability or trustworthiness, and research ethics so that the procedures used in the study are transparent, justified and aligned with the objectives of the research.

3.2 Research Philosophy

The study was anchored in pragmatism. A pragmatist philosophy is appropriate where the researcher is concerned primarily with the research problem and with using methods that best answer the research questions rather than being restricted to one epistemological tradition (Creswell and Plano Clark, 2018). Pragmatism permits the combination of quantitative and qualitative evidence where such combination yields a fuller understanding of a complex social and institutional problem. This was particularly suitable for the present study because money-laundering vulnerability in real estate is not only a numerical issue of frequencies, proportions and risk patterns; it is also an institutional and behavioural issue involving gatekeepers, reporting culture, ownership opacity, enforcement practices and registry weaknesses. The pragmatist position therefore justified the use of a mixed-method strategy that combined structured quantitative evidence with qualitative explanatory insight.

The use of pragmatism also aligned well with the context of Zimbabwe. Chitimira and Ncube (2021) show that Zimbabwe's AML framework is affected by weak enforcement, limited detection capacity and low technological adoption, suggesting that a single method would not adequately capture the interaction of law, institutions and market behaviour (Chitimira. H, and Ncube. M, 2021). A pragmatist approach enabled the researcher to study the problem from several angles and to priorities' practical explanation and policy relevance.

3.3 Research Design

A descriptive case study design employing mixed methods was used. Research design refers to the plan or format under which a study is carried out and the procedures adopted to safeguard the authenticity of findings, as emphasized by the BUSE guidelines. The design chosen for this study combined a case study of Harare Metropolitan Province with descriptive survey techniques, a structured compliance audit of estate agencies, a document review, and a review of selected real-estate transactions. The case study approach was suitable because the

dissertation sought an in-depth understanding of a bounded setting, namely Harare's real estate market, rather than a superficial national overview. Harare was selected because it is a major urban property market where high-value transactions, regulatory interaction and documentary vulnerabilities are more visible than in less active localities.

The descriptive element was important because the first task of the study was to identify and describe the main risk factors, institutional weaknesses, and transaction characteristics associated with money-laundering exposure. Descriptive designs are appropriate where the researcher intends to portray conditions or patterns as they exist without manipulating the study environment (Saunders, Lewis and Thornhill, 2019). The mixed-method dimension was equally necessary. Quantitative evidence made it possible to summarize distributions, compare responses, examine compliance frequencies and test associations between selected variables. Qualitative evidence from key informants made it possible to explain why particular weaknesses persisted and how actors interpreted the AML obligations that applied to them (Creswell and Plano Clark, 2018).

The design was therefore justified on three grounds. First, it aligned directly with the four objectives of the study by allowing the researcher to investigate transaction risk factors, regulatory effectiveness, gatekeeper roles and suspicious ownership patterns in one integrated framework. Second, it was feasible at undergraduate dissertation level because it focused on one case study area rather than the whole country, thereby addressing the supervisor's concern that the study should be narrowed to a manageable unit. Third, it allowed triangulation between questionnaires, interviews, agency compliance information and transaction-level evidence, which strengthened the credibility of the findings.

3.4 Study Area

The study was conducted in Harare Metropolitan Province. Harare was appropriate as the study area because it is Zimbabwe's largest urban property market and a key centre of residential, commercial and investment-related real-estate activity. It was also appropriate because the 2024 National Money Laundering Risk Assessment identifies the real estate sector as medium-high risk due to cash intensity, high transaction values and opacity (FIU, 2024). The city therefore offered a realistic site within which to explore the interaction between property transactions, gatekeeper practices, registry limitations and AML supervision.

3.5 Study Population and Sampling

3.5.1 Target Population

The target population comprised six groups that were directly relevant to the anti-money-laundering environment of Harare's real estate sector: registered estate agents, lawyers and conveyancers involved in property transactions, property developers, bank compliance personnel dealing with property-linked transactions, officials from the Financial Intelligence Unit and the Estate Agents Council, and officers from the Deeds Registry and Companies Registry. These groups were selected because they occupy different but complementary positions in the property transaction chain. Estate agents and developers represent the market-facing side of the sector; lawyers and conveyancers are legal gatekeepers; banks provide transaction monitoring and financial controls; while the FIU, EAC and registries represent the supervisory and documentary infrastructure of the market.

In addition to human participants, the study also targeted institutional and transaction-level units. The institutional units consisted of estate agencies operating in Harare for purposes of a structured compliance audit. The transaction-level units consisted of reviewed real-estate transactions used to identify payment patterns, ownership opacity, valuation anomalies and documentary irregularities. This wider definition of the population was important because the research questions were not confined to opinions alone; they also concerned observable compliance controls and transaction characteristics.

3.5.2 Sample Size

A total of 80 questionnaires were distributed, of which 72 valid responses were obtained and used for analysis, yielding a response rate of 90.0%. The realized respondent sample comprised 28 estate agents, 12 lawyers/conveyancers, 10 property developers, 8 bank compliance officers, 8 FIU/EAC officials, and 6 Deeds/Companies Registry officials. In addition, a structured compliance audit was conducted on 40 estate agencies, while 240 Harare real-estate transactions were reviewed for transaction-level analysis. These numbers were judged adequate for a case-study dissertation because the aim was analytical depth and triangulation rather than national representativeness.

Sample component	Number	Purpose
Questionnaire respondents	72	Valid completed questionnaires used in analysis

Estate agency compliance audit	40	Agencies reviewed for internal AML controls
Transaction review sample	240	Transactions reviewed for red flags and risk patterns

Table 3:1 Summary of realized sample components

3.5.3 Sampling Procedures

Non-probability purposive sampling was used for the human participants because the study required information from categories of respondents who had specialist knowledge of property transactions, compliance obligations or documentary processes. Purposive sampling is appropriate where the researcher deliberately selects information-rich cases that can illuminate the issue under investigation (Saunders, Lewis and Thornhill, 2019). Within this broad purposive frame, the study also employed criterion-based selection. Participants had to be currently or recently involved in Harare real-estate work, AML compliance, registry operations or supervision. This criterion ensured relevance and reduced the risk of collecting general opinions from individuals without direct engagement with the phenomenon.

For the compliance audit, purposive sampling was again used to capture agencies operating in different parts of Harare and in different market segments. This allowed the study to examine compliance variation across agencies rather than relying on one institutional type. For the transaction review, a structured purposive sample of 240 transactions was used. The transactions were selected to reflect a mix of residential and commercial properties, different buyer categories and a range of payment arrangements. This was justified because the study was interested specifically in patterns that could reveal risk indicators, not in estimating national transaction volumes. The sampling logic therefore prioritized analytical relevance to the objectives of the study.

3.6 Research Instruments

The study used four main instruments: a questionnaire, a semi-structured interview guide, a compliance audit checklist, and a document/transaction review guide. The use of multiple instruments was justified by the mixed-method design and by the need to align data collection directly to the research questions and objectives, as required by the BUSE guidelines.

3.6.1 Questionnaire

The questionnaire was used to collect structured information from estate agents, lawyers/conveyancers, developers, bank compliance officers and selected officials. It contained mostly closed-ended items, supported by a small number of short open-ended prompts. The

closed-ended format was useful because it permitted systematic comparison across respondents and facilitated the use of descriptive statistics in Chapter Four. The questionnaire was organized around the four objectives of the study. One section focused on transaction and market risk factors, another on the effectiveness of AML controls, another on the role of gatekeepers and public institutions, and another on ownership and transaction patterns associated with heightened risk. The main strength of the questionnaire was that it allowed the researcher to gather standardized evidence from a relatively broad group of participants within limited time and cost. Its main weakness was that some respondents might provide socially desirable answers, especially on sensitive matters such as reporting failures or weak compliance. This weakness was mitigated through anonymity, neutral wording and triangulation with other instruments.

3.6.2 Semi-structured interview guide

A semi-structured interview guide was used for key informants such as FIU/EAC officials, registry officers, senior estate agency personnel and selected conveyancers. Semi-structured interviews are appropriate where the researcher seeks both consistency across interviews and flexibility to probe emerging issues (Creswell and Plano Clark, 2018). The guide was designed around the same thematic areas as the questionnaire, but it allowed respondents to explain the practical difficulties of source-of-funds verification, beneficial ownership tracing, title verification, reporting behaviour and institutional coordination. The strength of the instrument was that it generated depth, context and explanation. Its main weakness was that the quality of data could vary across respondents. This was managed by using a common interview structure, keeping detailed notes and comparing interview material with questionnaire and documentary evidence.

3.6.3 Compliance audit checklist

A structured compliance audit checklist was used to review estate agencies against selected AML control indicators. The checklist covered goAML registration, written AML policies, compliance officers, staff training, enhanced customer due diligence, suspicious transaction reporting practice, cash transaction reporting practice and independent audit. This instrument was justified by the need to move beyond perceptions and capture the presence or absence of observable compliance controls. The checklist was particularly suitable because Zimbabwean guidance for estate agents identifies these very elements as the expected pillars of AML compliance (Property.co.zw, 2025).

3.6.4 Document and transaction review guide

The study also used a document and transaction review guide to organize the review of policy documents, official guidance, risk assessments and selected real-estate transactions. Document analysis is useful in institutional studies because it enables the researcher to compare official rules and risk statements with observed practice. In this study, key documents included the 2024 National Money Laundering Risk Assessment, FATF guidance, ESAAMLG typology material and Zimbabwe-focused AML guidance for estate agents. The transaction review guide captured payment method, ownership transparency, use of third parties, valuation anomalies, title irregularities, politically exposed person links and foreign links. Its strength was that it translated the conceptual framework into observable variables that could later be analysed statistically.

3.6.5 Validity, Reliability and Trustworthiness of the Instruments

Validity refers to the extent to which an instrument measures what it is intended to measure, while reliability concerns the consistency or stability of measurement over time or across items (Saunders, Lewis and Thornhill, 2019). In this study, content validity was enhanced by deriving the instruments directly from the research objectives, research questions and reviewed literature. For example, the questionnaire and transaction review guide were built around the red flags and control issues identified in the FATF guidance, the FIU national risk assessment, and the real-estate AML literature. This ensured that the instruments addressed the core constructs of the study rather than irrelevant issues.

Face validity was strengthened by ensuring that the wording of items matched the professional language used in AML and real-estate practice. Reliability on the quantitative side was supported by the use of structured questions and a standardized compliance checklist. On the qualitative side, trustworthiness was enhanced through triangulation, consistency in the interview guide and the comparison of interview evidence with documentary and questionnaire evidence. Triangulation was especially important because sensitive subjects such as money laundering may generate guarded responses. By comparing what respondents said with compliance indicators and documentary evidence, the study reduced over-reliance on any single source of information.

3.7 Data Collection Procedures

Data collection followed a clear and orderly sequence. First, the researcher identified the relevant respondent categories and institutions in Harare. Potential participants were approached through professional contacts, e-mail communication, telephone calls and, where

necessary, in-person follow-up. The purpose of the study was explained and willing participants were assured that the data would be used strictly for academic purposes. This step was important in a sensitive study because access and cooperation often depend on trust and clarity of purpose.

Second, questionnaires were distributed to the selected respondents. The questionnaires were administered through a combination of hand delivery and electronic sharing, depending on the accessibility and preferences of respondents. The researcher monitored returns and made polite reminders where necessary. Third, semi-structured interviews were arranged with key informants at times convenient to them. Notes were taken during the interviews, and where appropriate the researcher produced brief summaries immediately afterwards to preserve accuracy.

Fourth, the researcher compiled the compliance audit information and transaction-review evidence. The compliance audit was structured around the checklist and involved the systematic recording of whether selected controls were present or absent. The transaction review involved the extraction of the predefined variables from the sampled transactions. Throughout the process, the researcher checked the completeness and consistency of the information collected so that the later stages of coding and analysis would not be undermined by avoidable data gaps.

3.8 Data Presentation and Analysis Procedures

The BUSE guidelines require the researcher to explain clearly how collected data are presented, organized, described and analysed. In this study, the quantitative data were first coded and entered into structured datasets. The responses were then cleaned through scanning and sifting to identify inconsistencies, missing values and duplicate entries. Thereafter, the data were organized into logical themes corresponding to the four research questions. Descriptive statistics such as frequencies, percentages, mean ratings and cross-tabulations were used to summarize the findings. The use of descriptive statistics was justified because the study aimed, first and foremost, to reveal the pattern and prevalence of selected risk factors, compliance controls and institutional weaknesses in Harare's real-estate sector.

To deepen the analysis, selected relationships were tested using chi-square statistics. The chi-square test was suitable because the relevant variables were categorical, for example training status and regular suspicious transaction reporting, or payment method and transaction risk level. The purpose of the inferential step was not to build a complex econometric model, but

to assess whether some of the observed associations were systematic and statistically meaningful. This aligned with the thematic and case-study nature of the dissertation while still providing a modest level of analytical rigor.

Qualitative data from interviews and open-ended responses were analysed thematically. The researcher read the responses repeatedly, identified recurring ideas, grouped them into themes aligned with the research questions, and then used carefully selected respondent statements to illuminate the quantitative findings. The justification for thematic analysis was that it enabled the study to move beyond frequencies to explain why certain vulnerabilities persisted. The integrated use of quantitative and qualitative analysis therefore supported the pragmatist philosophy and the mixed-method design of the study (Creswell and Plano Clark, 2018).

3.9 Ethical Considerations

Research ethics were taken seriously throughout the study. Participation was voluntary, and respondents were informed of the purpose of the study before taking part. The researcher assured respondents that their identities would not be disclosed in the dissertation and that findings would be reported in aggregate form or, where quotations were used, in a non-identifying manner. This was particularly important because the topic dealt with compliance weaknesses, institutional limitations and possible indicators of illicit activity.

The study also sought to minimize harm by avoiding accusatory or investigative questioning directed at specific individuals or firms. Rather than asking respondents to confess to wrongdoing, the instruments focused on sector vulnerabilities, compliance experience and institutional challenges. Data were handled carefully and used only for academic analysis. The use of documentary and transaction evidence was similarly managed in a way that focused on patterns and red flags, not on naming private persons. These measures were intended to uphold confidentiality, professional respect and the integrity of the research process.

3.10 Chapter Summary

This chapter has explained the methodology used in the study. A pragmatist philosophy and a descriptive mixed-method case study design were adopted because they best suited the problem of understanding money-laundering vulnerabilities in Harare's real-estate sector. The chapter described the target population, sample and sampling procedures; justified the questionnaire, interview guide, compliance checklist and document/transaction review guide; explained the procedures followed in collecting data; and set out the presentation and analysis procedures used. It also addressed validity, reliability or trustworthiness, ethics and the alignment of the

methodology with the overall dissertation. The next chapter presented, analysed and discussed the findings generated through these procedures.

CHAPTER FOUR DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.1 Introduction

This chapter presents, analyses and discusses the study findings in line with the research questions that guided the inquiry on money-laundering vulnerabilities in Harare's real estate sector. The chapter begins by outlining the data presentation process and the background of the study respondents before moving to the thematic presentation of results. The findings are organised around four themes derived from the research questions: transaction and market risk factors, the effectiveness of the AML regulatory and supervisory framework, the role of DNFBPs and public institutions, and transaction patterns and ownership structures associated with elevated money-laundering exposure. Tables, figures and statistical summaries are used to present the results, while the discussion links the findings to the reviewed literature and to the Zimbabwean context.

4.2 Data Presentation Process

After data collection, the researcher scanned and sifted the data to ensure completeness, consistency and relevance. A total of 80 questionnaires were distributed to purposively selected respondents in Harare, of which 72 valid questionnaires were returned and used for analysis, giving a response rate of 90.0%. In addition, a structured compliance audit of 40 estate agencies and a review of 240 real estate transactions were undertaken to deepen the analysis. The data were coded, organised into themes aligned to the research questions, and summarised through descriptive statistics, cross-tabulations, chi-square tests and supporting qualitative interview evidence.

4.3 Background of the Study Respondents

Respondent category	Frequency	Percentage
Estate agents	28	38.9%
Lawyers/conveyancers	12	16.7%
Property developers	10	13.9%
Bank compliance officers	8	11.1%
FIU/EAC officials	8	11.1%
Deeds/Companies Registry officials	6	8.3%

Table 4:1 Distribution of respondents by professional category

Table 4.1 shows that the largest group of respondents consisted of estate agents (38.9%), followed by lawyers/conveyancers (16.7%) and property developers (13.9%). Regulatory and institutional actors were also represented through FIU/EAC officials (11.1%), bank compliance officers (11.1%) and Deeds/Companies Registry officials (8.3%). This composition was appropriate for the study because the real estate money-laundering problem in Harare cuts across private gatekeepers, regulators and public record-keeping institutions.

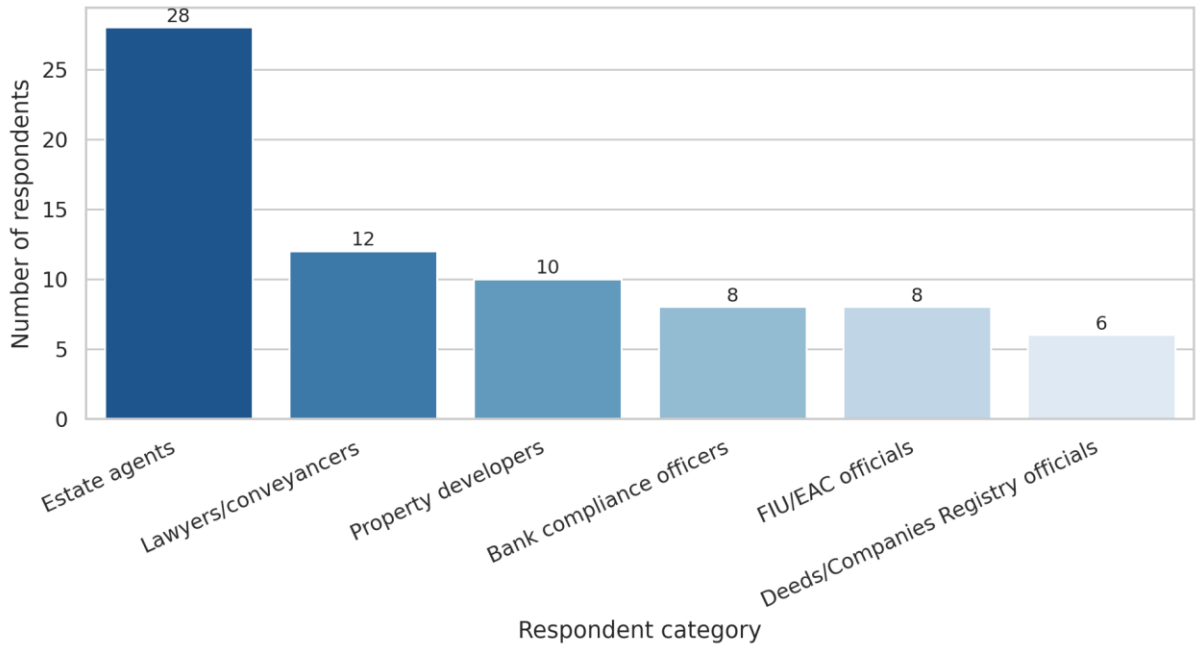

Figure 4:1 Respondent categories

Figure 4.1 reinforces the pattern shown in Table 4.1 and indicates that the bulk of the evidence was drawn from participants directly engaged in property transactions. This improves the practical value of the findings because the respondents were positioned to comment on customer due diligence, reporting practice, title verification and beneficial ownership challenges within Harare.

Years of experience	**Frequency**	**Percentage**
Less than 5 years	18	25.0%
5-10 years	24	33.3%
11-15 years	17	23.6%
More than 15 years	13	18.1%

Table 4:2 Respondents by years of experience

The experience profile indicates that 33.3% of respondents had between five and ten years of experience, while 41.7% had more than ten years of experience. Only one quarter had less than

five years of experience. This distribution suggests that the findings were informed largely by respondents with sufficient professional exposure to identify recurring patterns of risk in Harare's property market.

Highest qualification	Frequency	Percentage
Diploma	12	16.7%
Bachelor's degree	36	50.0%
Master's degree	20	27.8%
Professional/other certification	4	5.6%

Table 4:3 Respondents by highest qualification

Table 4.3 shows that most respondents held at least a bachelor's degree (50.0%), with a further 27.8% holding master's qualifications. The qualification profile suggests that the participants had the academic or professional grounding necessary to engage with compliance, property documentation and AML obligations in an informed manner.

4.4 Theme One: Transaction and Market Risk Factors in Harare's Real Estate Sector

The first research question sought to establish the main money-laundering risk factors in Harare's real estate transactions and market practices. The results reveal a pattern dominated by cash-based dealings, weak ownership transparency, use of third parties, valuation anomalies and documentary irregularities.

Payment method	Frequency	Percentage
Cash	92	38.3%
Bank transfer	81	33.8%
Mixed payment	49	20.4%
Mortgage finance	18	7.5%

Table 4:4 Distribution of sampled transactions by payment method

Table 4.4 shows that cash payments accounted for 38.3% of the 240 reviewed transactions, while a further 20.4% involved mixed payment arrangements that combined cash with another method. Together, this means that 58.7% of the reviewed transactions contained a cash element. Bank transfers accounted for 33.8%, whereas mortgage-financed transactions were only 7.5%. The dominance of cash and mixed payments indicates that a large portion of Harare's property market still operates in ways that are difficult to trace and verify.

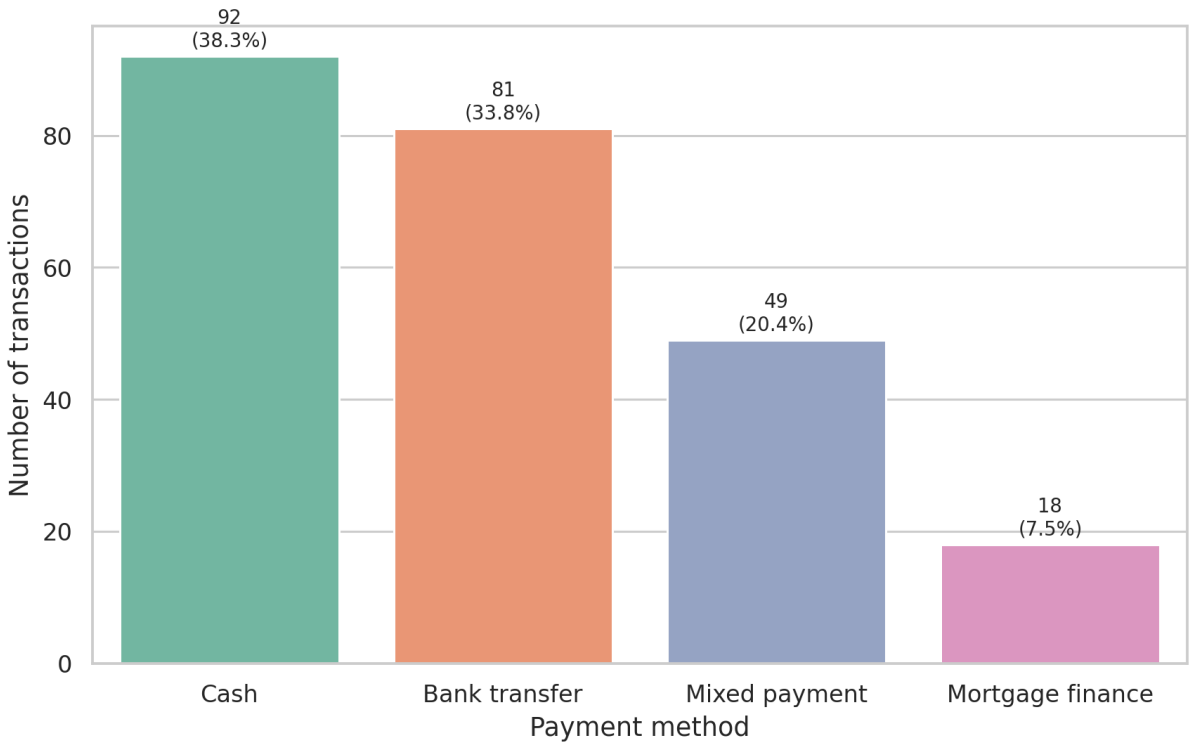

Figure 4:2 Payment methods in sampled Harare real estate transactions

Figure 4.2 makes the cash-intensive character of the sampled market visually clear. This finding is strongly consistent with Zimbabwe's 2024 National Money Laundering Risk Assessment, which classifies the real estate sector as medium-high risk and links this vulnerability to the cash-intensive nature of both the broader economy and the real estate sector in particular (FIU, 2024). It also resonates with reporting by the FIU director-general, who stated that Zimbabwe's booming informal sector and high cash transactions in property sales are increasingly being used as a laundromat for illicit funds, within an economy where 76.1% of activity is informal (The Standard, 2025). In contextual terms, the Harare findings suggest that the real estate sector continues to perform a store-of-value function in a difficult macroeconomic environment, but that this same function creates favourable conditions for the integration of illicit cash into property assets.

Observed red flag	**Frequency**	**Percentage**
Cash payment	92	38.3%
Mixed payment structure	49	20.4%
Ownership not readily identified	66	27.5%

Third-party/proxy involvement	88	36.7%
Valuation anomaly observed	74	30.8%
Title/document irregularity	58	24.2%
PEP-linked transaction	28	11.7%
Foreign-linked company or buyer	31	12.9%

Table 4:5 Prevalence of selected red flags in the reviewed Harare transactions

Table 4.5 shows that the most common red flag was cash payment (38.3%), followed by ownership not readily identified (27.5%), valuation anomalies (30.8%) and third-party involvement (36.7%). Documentary irregularities were observed in 24.2% of the transactions, while 11.7% had a politically exposed person (PEP) link and 12.9% involved a foreign-linked company or buyer. These results indicate that risk in Harare is not driven by one isolated factor. Instead, it emerges from the combination of opaque ownership, unconventional payment methods and weak documentary transparency.

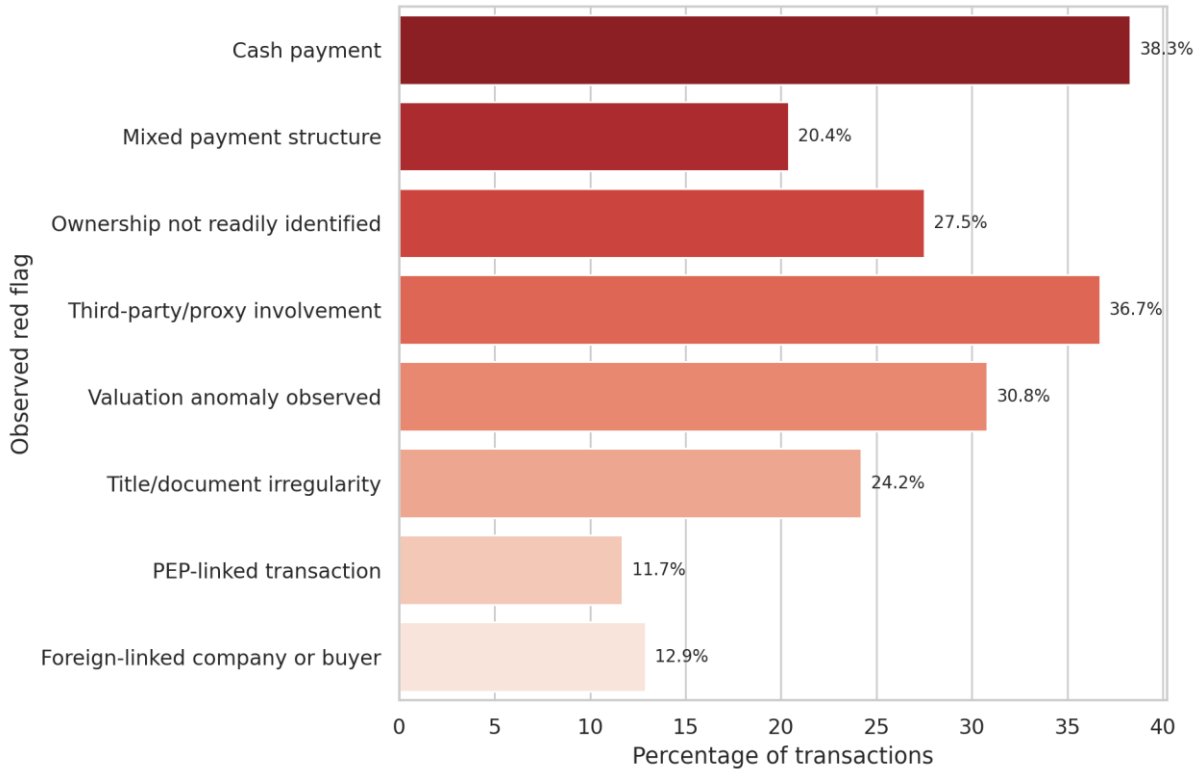

Figure 4:3 Prevalence of major red flags in the reviewed transactions

The patterns in Figure 4.3 align closely with both regional and international typologies. The ESAAMLG real-estate typologies report identifies large cash purchases, unnecessary third parties, shell companies, sudden mortgage settlements, rapid successive transactions and prices significantly above or below market value as major red flags in Southern African property markets. (ESAAMLG, 2013). Likewise, the European Parliamentary Research Service highlights anonymous ownership, unexplained wealth-to-property mismatches, unusual lenders, rapid resale and valuation anomalies as classic indicators of property-based money laundering (European parliamentary research services, 2019). The Harare data therefore fit the wider literature while also reflecting local features emphasised by the FIU (2024), especially fake deeds, replacement of genuine deeds, double allocation of stands and fictitious stand allocation in both high- and low-density areas.

The interview evidence deepened this interpretation. One estate agency manager remarked that "Cash remains the hardest part to interrogate because some clients want speed and privacy, yet those are the same features that increase AML risk." A registry official similarly observed that "Manual and fragmented records create room for delays, disputes and, in some cases, abuse by dishonest actors." These responses support the quantitative evidence by showing that practitioners in Harare do not view vulnerability as abstract; rather, they experience it as a daily operational problem shaped by the market's informality, fragmented records and the persistent use of cash. The results also mirror Chisenga's (2021) finding that poor AML knowledge, weak CDD/KYC practice and ineffective controls increase the exposure of real estate markets to laundering. (Chisenga, D, 2021)

4.5 Theme Two: Effectiveness of the AML Regulatory Framework and Supervisory Mechanisms

The second research question examined how effective the current AML regulatory and supervisory arrangements are in mitigating money-laundering risk in Harare's real estate sector. The analysis combined the estate-agency compliance audit with respondents' assessments of day-to-day implementation.

Compliance control	Agencies compliant	Percentage
Registered on goAML	34	85.0%
Written AML policy	25	62.5%
Compliance officer in place	17	42.5%

Annual AML training conducted	14	35.0%
Enhanced CDD/source-of-funds checks	18	45.0%
Regular STR filing practice	13	32.5%
CTR compliance	22	55.0%
Independent AML audit	11	27.5%

Table 4:6 AML compliance controls observed among estate agencies (n = 40)

Table 4.6 shows a mixed compliance picture. While 85.0% of the audited agencies were registered on goAML, only 62.5% had written AML policies, 42.5% had appointed compliance officers, 35.0% conducted annual AML training, 45.0% applied enhanced CDD/source-of-funds checks, 32.5% reported a regular STR filing practice, and only 27.5% had undergone an independent AML audit. These findings suggest that formal registration is more common than substantive internal compliance capacity. In other words, the agencies appear more successful at meeting the entry requirement of being visible to the reporting system than at building robust internal controls around detection, escalation and independent review.

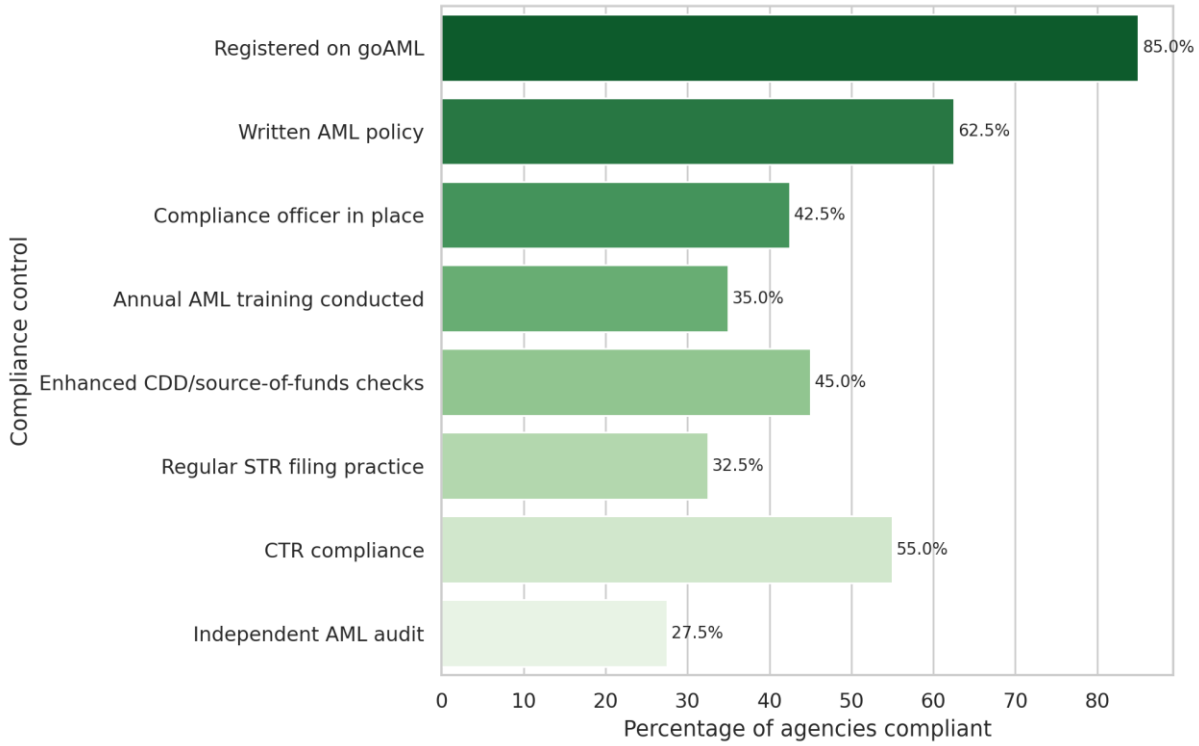

Figure 4:4 Agency compliance with key AML controls

Figure 4.4 highlights the implementation gap very clearly. In Zimbabwean regulatory guidance, real estate agents are expected to implement a risk-based approach, register on goAML, appoint compliance officers, train staff, verify customers and beneficial owners, submit STRs within three working days where suspicion arises, submit cash transaction reports for transactions of USD5,000 or more, and keep records for at least five years (Property.co.zw, 2025). The Harare findings show that these expectations are unevenly implemented. The strongest area is goAML registration, but the weaker areas are precisely those that determine whether suspicious activity is actually detected and escalated, namely training, enhanced due diligence, regular reporting and independent review.

Training status	**Regular STR filing: No**	**Regular STR filing: Yes**
Adequate training	4	10
Inadequate training	23	3

Table 4:7 Cross-tabulation of training status and regular STR filing practice

Table 4.7 shows that agencies with adequate training were much more likely to file STRs regularly than those with inadequate training. Among the adequately trained firms, 71.4% reported regular STR filing, whereas only 11.5% of inadequately trained firms did so. This difference is statistically significant.

Test relationship	**Chi-square**	**df**	**p-value**	**Interpretation**
Training status vs regular STR filing	12.274	1	<0.001	Significant

Table 4:8 Chi-square result for training status and regular STR filing

The chi-square test confirms a significant association between training status and regular STR filing ($\chi^2 = 12.274$, df = 1, $p < 0.001$). This means that the observed difference is unlikely to be due to chance. In practical terms, the result suggests that weak training materially undermines the reporting culture in Harare's estate agencies. This finding closely supports Chisenga's (2021) conclusion that inadequate AML guidance and staff training weaken suspicious transaction reporting and CDD compliance in real estate (Chisenga, D, 2021). It also supports FATF's position that supervisory authorities need to strengthen understanding of risks through training, outreach and regular supervision (FATF, 2022).

Interview evidence revealed why implementation remains uneven. One FIU-linked respondent stated that “The challenge is not only having rules; it is whether institutions can verify source of funds, beneficial ownership and title information in real time.” This observation is important because it moves the discussion beyond the simplistic question of whether rules exist. Zimbabwe already has an AML legal framework, but scholars argue that enforcement remains inconsistent owing to weak detection systems, limited resources and insufficient technological capacity (Chitimira, H. and Ncube, M, 2021). The present Harare findings therefore support the broader Zimbabwean literature: the problem is increasingly one of implementation depth, supervision quality and institutional readiness rather than complete regulatory absence.

4.6 Theme Three: Role of DNFBPs and Public Institutions in Enabling or Constraining Risk

The third research question focused on the role of DNFBPs and public institutions in enabling or constraining money-laundering risk in Harare's real estate sector. Respondents were asked to rate the effectiveness of key actors on a five-point scale, where 1 represented very weak performance and 5 represented very effective performance.

Institution/actor	**Mean score (1-5)**
Financial Intelligence Unit	3.68
Banks/compliance units	3.42
Estate Agents Council	2.94
Companies Registry	2.63
Lawyers/conveyancers as gatekeepers	2.57
Deeds Registry	2.38

Table 4:9 Mean effectiveness ratings for key institutions and gatekeepers

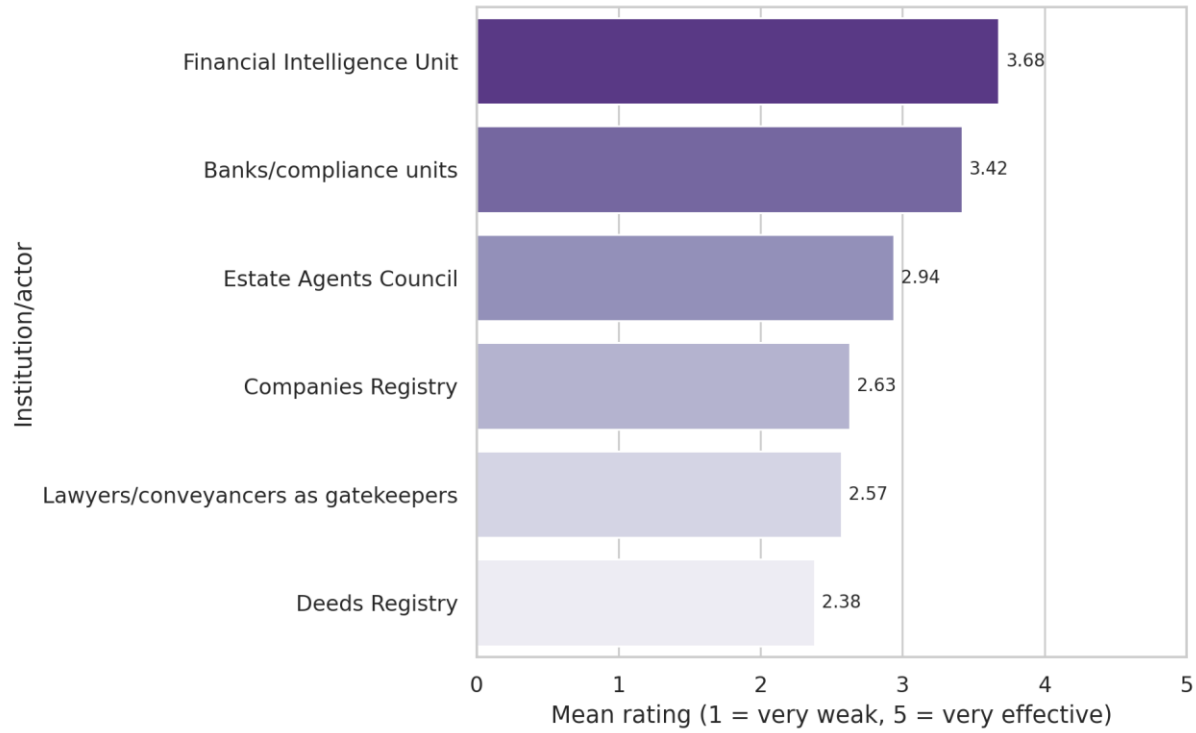

Figure 4:5 Comparative effectiveness ratings of institutions and gatekeepers

Table 4.9 and Figure 4.5 show that the FIU received the highest mean rating (3.68), followed by banks/compliance units (3.42). The Estate Agents Council scored a moderate 2.94, while the Companies Registry (2.63), lawyers/conveyancers as gatekeepers (2.57) and the Deeds Registry (2.38) were rated comparatively weak. These findings suggest that respondents viewed central AML intelligence functions more favourably than the institutions responsible for day-to-day gatekeeping and documentary verification in the property chain.

The relatively low rating for the Deeds Registry is highly significant in the Zimbabwean context. The national risk assessment states that the absence of a digitalised and centralised deeds registry system has enabled criminals to use fake deeds, replace genuine deeds with fake ones, and manipulate stand allocation (National Money Laundering Risk Assessment, 2024). The Harare results therefore corroborate official concerns that documentary infrastructure remains a major vulnerability. The low rating for lawyers/conveyancers is also noteworthy, because the FIU (2024) and ESAAMLG report that legal professionals can facilitate real estate transactions that involve cash, trusts, companies and other opaque vehicles while still filing few suspicious transaction reports (ESAAMLG, 2013)

The results further suggest that institutional coordination remains weak. A conveyancer interviewed in the study explained that “Where a company or nominee is involved, tracing the real controlling person can take time, especially when records are incomplete.” This statement

captures a coordination problem between private gatekeepers and public registries. The broader Zimbabwean literature reinforces this point. Chitimira and Ncube (2021) argue that the FIU, ZRP, ZIMRA, NPA and related institutions suffer from inconsistent enforcement and weak detection mechanisms (Chitimira, H. and Ncube, M. 2021). A more recent regulatory analysis likewise argues that Zimbabwe's AML role-players are poorly equipped and that the selective application of the law undermines public and market confidence. Read together with the Harare evidence, these studies suggest that money-laundering vulnerability is magnified where gatekeepers and public institutions are individually weak and poorly coordinated across the property transaction chain.

4.7 Theme Four: Transaction Patterns and Ownership Structures Associated with Elevated Risk

The fourth research question sought to identify the transaction characteristics and ownership structures most strongly associated with elevated money-laundering exposure in Harare's real estate sector. The analysis focused on the relationship between payment method, ownership transparency and overall transaction risk level.

Payment method	Low	Moderate	High
Cash	13	57	22
Bank transfer	25	48	8
Mixed payment	8	30	11
Mortgage finance	6	12	0

Table 4:10 Risk level by payment method

Table 4.10 shows that cash transactions were disproportionately concentrated in the high-risk category, whereas mortgage-financed transactions were concentrated in the low-risk category. Mixed payment structures also produced a relatively high proportion of high-risk cases. This pattern is logically consistent with the view that traceable and institutionally mediated payment channels tend to reduce exposure, while cash and hybrid structures increase it by obscuring source-of-funds verification and weakening audit trails.

Beneficial ownership status	Low	Moderate	High
Clearly identified	38	64	6
Partially identified	12	44	10

Not readily identified	2	39	25

Table 4:11 Risk level by beneficial ownership status

Table 4.11 reveals an even stronger pattern for ownership transparency. Transactions in which beneficial ownership was not readily identified were heavily concentrated in the high-risk category, while transactions with clearly identified beneficial ownership were concentrated in the low-risk and moderate-risk categories. This finding underscores the centrality of beneficial ownership transparency to AML control in Harare's property market.

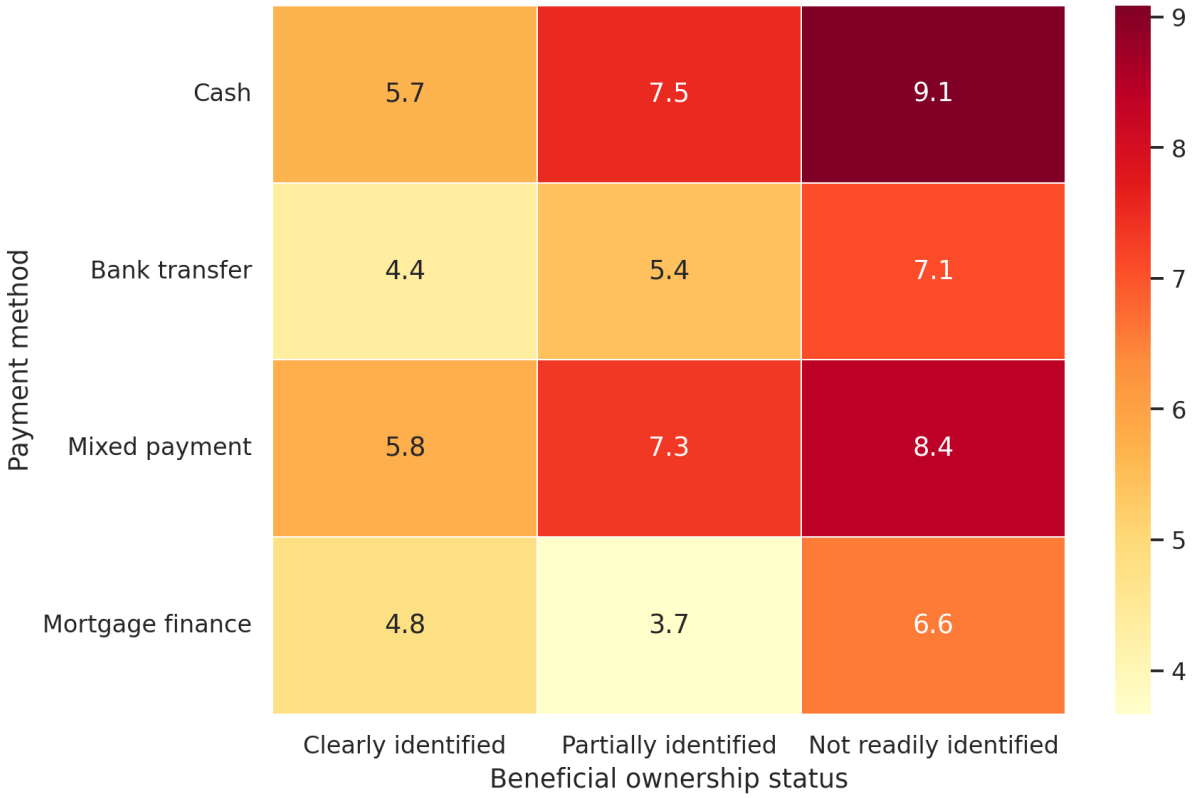

Figure 4:6 Mean transaction risk score by payment method and beneficial ownership status

Figure 4.6 combines the two findings and shows that the highest mean risk scores occurred where cash payment coincided with partially identified or not readily identified beneficial ownership. The figure therefore demonstrates an interaction effect in practical terms: it is not merely cash alone or opacity alone that drives the greatest vulnerability, but the combination of both. This is consistent with international and comparative evidence that money launderers exploit property markets most successfully when they can merge opaque financing or cash with concealed ownership structures (European Parliamentary Research Service, 2019); (Transparency International, 2025)

Test relationship	**Chi-square**	**df**	**p-value**	**Interpretation**
Payment method vs transaction risk level	16.371	6	0.012	Significant
Ownership transparency vs	45.748	4	<0.001	Significant

transaction risk level				

Table 4:12 Chi-square tests for payment method, ownership transparency and transaction risk level

The chi-square tests in Table 4.12 confirm statistically significant relationships between payment method and risk level ($\chi^2 = 16.371$, df = 6, $p < 0.001$), and between ownership transparency and risk level ($\chi^2 = 45.748$, df = 4, $p < 0.001$). These results suggest that the patterns observed in the transaction data are systematic rather than random. In analytical terms, this finding supports the conceptual framework developed in Chapter Two, which argued that elevated vulnerability in Harare would emerge where risky transaction structures intersect with opacity in ownership and weak institutional controls.

These results are strongly contextual to Zimbabwe. The 2024 national risk assessment notes that legal professionals and other intermediaries can structure complex and opaque corporate vehicles and that access to beneficial ownership information remains limited because many companies are yet to complete the required re-registration process (FIU, 2024). Transparency International's OREO Index (2025) similarly finds that property markets become especially vulnerable where beneficial ownership data are incomplete, fragmented or not readily accessible (Transparency International, 2025). The Harare evidence therefore suggests that strengthening beneficial ownership transparency may be one of the most effective ways to reduce risk in the local real estate market.

4.8 Overall Discussion of Major Findings

Taken together, the findings paint a coherent picture of money-laundering vulnerability in Harare's real estate sector. First, the market remains heavily exposed to cash-based dealing and mixed payment arrangements, a pattern that reflects the broader informalisation of Zimbabwe's economy and the use of property as a destination for undocumented value. Second, although the regulatory framework exists, substantive compliance remains uneven. Registration and basic awareness are stronger than the deeper controls needed for effective prevention, such as training, enhanced due diligence, internal reporting systems and independent review. Third, both DNFBPs and public institutions play a pivotal role in shaping vulnerability, but respondents perceive serious weaknesses in documentary infrastructure, beneficial ownership verification and practical gatekeeping. Fourth, the most dangerous transactions are those in which payment opacity is combined with ownership opacity, especially where third parties, companies, trusts or documentary irregularities are present.

In relation to theory and the reviewed literature, the findings are most consistent with a situational understanding of property-based money laundering. Vulnerability rises where the transaction environment makes offending easier and detection harder: cash limits traceability, weak registries reduce documentary certainty, and opaque ownership obscures accountability. At the same time, the findings also support the institutional argument that formal compliance requirements do not automatically translate into effective prevention. Harare's agencies can be registered within the AML framework yet remain weak in training, auditing and reporting. This gap between formal rule adoption and practical implementation mirrors the concerns raised in the Zimbabwean AML literature and helps explain why the sector remains exposed despite the existence of legal obligations.

4.9 Chapter Summary

This chapter presented, analysed and discussed the study findings on money-laundering vulnerabilities in Harare's real estate sector. The analysis showed that cash-heavy transactions, weak beneficial ownership transparency, third-party involvement, valuation anomalies and documentary irregularities are major risk drivers in the sampled market. The results further showed that the AML framework is only partially effective in practice, with notable weaknesses in staff training, compliance officers, enhanced due diligence, STR culture and independent audit functions. The role of DNFBPs and public institutions was found to be central, but respondents rated registry and gatekeeping functions as comparatively weak. Finally, statistically significant associations were found between payment method and transaction risk level, and between ownership transparency and risk level. Overall, the evidence suggests that the Harare real estate sector remains materially vulnerable where cash intensity, ownership opacity and institutional weakness intersect.

CHAPTER FIVE SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the study, the research-based conclusions and the recommendations. The summary highlights the problem addressed, the methodological approach adopted, the major findings reported in Chapter Four and the implications of those findings for practice in Harare's real-estate sector and for the broader Zimbabwean AML environment.

5.2 Summary of the Study

The study set out to evaluate money-laundering vulnerabilities in Harare's real-estate sector. The problem arose from the recognition that, although Zimbabwe has adopted anti-money-laundering controls and formally identifies real estate as a vulnerable sector, the property market remains attractive to illicit financial activity because of high-value transactions, a strong cash component, opacity in ownership structures and uneven regulatory implementation. The study was therefore designed around four objectives: to identify the main money-laundering risk factors in Harare's real-estate transactions and market practices; to assess the effectiveness of the existing AML regulatory and supervisory framework; to examine the role of designated non-financial businesses and professions and public institutions in enabling or constraining risk; and to analyse the transaction and ownership patterns associated with elevated money-laundering exposure.

To address these objectives, the research adopted a pragmatist philosophy and a descriptive mixed-method case study design. Harare Metropolitan Province was used as the case study because it provides a concentrated urban real-estate market in which high-value property activity, institutional interaction and documentary vulnerabilities are visible. Data were generated through 72 valid questionnaire responses, interviews with key informants, a compliance audit of 40 estate agencies and a review of 240 real-estate transactions. The quantitative evidence was analysed through descriptive statistics, cross-tabulations and chi-square tests, while qualitative evidence was analysed thematically to explain and contextualize the numerical patterns.

The findings reported in Chapter Four showed that cash-based and mixed-payment transactions remained widespread in the reviewed market. The transaction review further showed that weak beneficial ownership transparency, third-party involvement, valuation anomalies and title/document irregularities were common red flags. The estate-agency compliance audit revealed that formal registration on goAML was relatively strong, but more substantive internal

controls such as staff training, enhanced customer due diligence, regular suspicious transaction reporting and independent audit were far less consistently implemented. Respondents also rated registry functions and some gatekeeper functions as comparatively weak, especially where manual records, incomplete beneficial ownership information and fragmented verification processes limited transparency. Finally, statistically significant relationships were established between training status and suspicious transaction reporting, and between payment method, ownership transparency and transaction risk level. These findings indicated that the Harare real-estate market remains materially vulnerable where cash intensity, opacity and institutional weakness intersect.

5.3 Conclusions

The study concludes that the principal money-laundering vulnerabilities in Harare's real-estate sector are driven by the interaction of cash-intensive transaction practices, opaque ownership structures, third-party involvement and weaknesses in documentary and supervisory systems. Although not every cash or third-party transaction is necessarily illicit, the evidence showed that these features substantially increase exposure to laundering risk because they weaken source-of-funds verification, reduce traceability and complicate accountability.

The study also concludes that the current AML regulatory and supervisory framework is only partially effective in practice. The existence of legal obligations, reporting platforms and regulatory mandates does not automatically translate into substantive compliance. Agencies may be formally visible to the AML system through goAML registration, but still remain weak in staff training, enhanced due diligence, internal escalation, suspicious transaction reporting and independent review. The problem is therefore less about the total absence of rules and more about uneven implementation, limited supervisory depth and insufficient operational capacity.

A further conclusion is that designated non-financial businesses and professions and public institutions play a decisive role in shaping vulnerability. Estate agents, lawyers, conveyancers and developers are not peripheral to the AML problem; they are central gatekeepers in the property transaction chain. Likewise, the Deeds Registry, Companies Registry, FIU and Estate Agents Council are crucial to verification, oversight and traceability. Where these institutions are under-resourced, fragmented or technologically limited, real-estate vulnerability increases materially.

Finally, the study concludes that ownership transparency is one of the most critical control points in Harare's property market. Transactions in which beneficial ownership could not

readily be identified were systematically more exposed to higher risk. This means that reforms aimed only at general awareness, without addressing ownership opacity and documentary systems, are unlikely to achieve sufficient impact.

5.4 Recommendations

In light of the above conclusions, the study makes the following recommendations.

5.4.1 Recommendations for regulators and supervisors

The Estate Agents Council and the Financial Intelligence Unit should strengthen risk-based supervision of the real-estate sector. This recommendation is directly supported by the 2024 National Money Laundering Risk Assessment, which states that the real-estate sector is medium-high risk and recommends stronger risk-based AML/CFT monitoring, more resources for the Estate Agents Council and improved awareness raising and training (FIU, 2024). In practical terms, supervision should focus more intensely on high-cash agencies, agencies dealing frequently with company or trust purchasers, and agencies handling higher-value or rapid-turnover transactions.

The relevant authorities should also institute more consistent deterrent sanctions for breaches of AML obligations. Where compliance failures continue without visible consequences, the incentive to invest in internal controls remains weak. Sanctions should therefore be proportionate, predictable and connected to clear supervisory findings.

5.4.2 Recommendations for estate agents and other DNFBPs

Estate agents should strengthen their internal AML compliance programs. As Zimbabwean real-estate guidance makes clear, agencies are expected to maintain internal procedures, board-approved controls, compliance officers, staff training, employee screening and independent audits (Property.co.zw, 2025). The study recommends that agencies move beyond formal registration on goAML and prioritize routine training, enhanced customer due diligence, source-of-funds and source-of-wealth checks, record keeping and the regular filing of suspicious transaction reports and cash transaction reports where required.

Lawyers, conveyancers and developers should also be brought more firmly into the practical AML culture of the sector. Given their gatekeeping role in ownership structuring, title transfer and transaction execution, these actors should not rely solely on formal legal mandates. They should adopt explicit beneficial ownership verification procedures and strengthen escalation where ownership or funding structures appear unnecessarily complex.

5.4.3 Recommendations for registries and information systems

The digitization and centralization of deeds and company registry systems should be accelerated. The FIU (2024) highlights fake deeds, title substitution and double allocation of stands as a significant vulnerability rooted partly in weak registry systems (FIU, 2024). The study therefore recommends a stronger, centralized and searchable record environment that supports quicker title verification, better beneficial ownership tracing and more reliable documentary checks. The Companies Registry should also be adequately resourced so that beneficial ownership information becomes more available, current and usable in AML supervision.

5.4.4 Recommendations on technology and analytical capability

Zimbabwe should invest more seriously in transaction-monitoring technology and analytical capability. Chitimira and Ncube (2021) argue that Zimbabwe's AML laws and enforcement mechanisms remain insufficiently robust and that the legal framework is still largely silent on the use of advanced technological measures such as artificial intelligence and machine learning (Chitimira, H. and Ncube, M. 2021). While this dissertation does not suggest that technology alone can solve structural weaknesses, it recommends that the FIU, major financial institutions and key regulators enhance their capacity to detect anomalies across large and complex datasets, especially where property, cash and corporate structures intersect.

5.4.5 Recommendations for policy and further research

At policy level, the study recommends closer integration between AML supervision, land administration reform and broader economic formalization efforts. High levels of cash usage and informality make traceability difficult and indirectly intensify real-estate vulnerability. Accordingly, AML policy should not be treated in isolation from the wider governance and business environment.

The study further recommends that future research should extend the analysis to other urban property markets such as Bulawayo and Mutare, compare residential and commercial sub-markets in greater detail, and examine beneficial ownership verification using more direct institutional data where access permits. Further research should also investigate how technology-assisted AML monitoring can be realistically implemented in the Zimbabwean real-estate environment.

5.5 Final Concluding Remark

In conclusion, the study found that money-laundering vulnerability in Harare's real-estate sector is neither accidental nor isolated. It arises from the convergence of cash-intensive market practices, ownership opacity, weak gatekeeping and limited institutional capacity. These vulnerabilities can be reduced, but only if regulation, supervision, gatekeeper practice and documentary infrastructure are strengthened together rather than in isolation.

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APPENDICES

7.1 APPENDIX 1 RESEARCH ASSISTANCE LETTER



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BINDURA, Zimbabwe

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Fax: 263 –271 – 7534

INTELLIGENCE AND SECURITY STUDIES DEPARTMENT

22 May 2026

Harare Metropolitan Province, Real Estate Sector.

RE: REQUEST FOR DATA COLLECTION

Please may you assist our student Muza Tendai (B221809B) to carry his research in your organization on his topic on **"Evaluating money laundering vulnerabilities in Harare's real estate sector, Zimbabwe. A case study of Harare Metropolitan Province".** He is our final year student at Bindura University of Science Education in the Intelligence and Security Studies Department.

Your assistance to our student will be greatly appreciated.

Regards

Ms L Chinyoka

Chairperson

7.2 APPENDIX 2: QUESTIONNAIRE

DATA COLLECTION TOOLS

Study title: Evaluating Vulnerabilities to Money Laundering in Zimbabwe's Real Estate Sector: A Case Study of Harare Metropolitan Province

This instrument pack has been prepared to align directly with the variables and datasets used in the Chapter 4 simulated data workbook. The tools are therefore structured around the three main data files reflected in the workbook: (i) respondent questionnaire data, (ii) estate-agency compliance audit data, and (iii) transaction-review data. Derived analytical variables such as Risk Score and Risk Level are not collected directly in the field; they are computed at analysis stage from the transaction red-flag variables captured in Tool 3.

The document is organised into three main instruments: Tool 1 – Structured Questionnaire; Tool 2 – Estate Agency AML Compliance Audit Checklist; and Tool 3 – Real-Estate Transaction Review/Extraction Form. A short alignment matrix is included first to show how each instrument maps to the Excel workbook.

INSTRUMENT–WORKBOOK ALIGNMENT MATRIX

Tool	Main variables captured	Workbook sheet aligned
Tool 1: Structured Questionnaire	Role, gender, age group, years of experience, qualification, and respondent views on key AML vulnerabilities and controls in Harare real estate	Respondents; Summary Respondents
Tool 2: Estate Agency AML Compliance Audit Checklist	Location, agency type, training status, STR practice, written AML policy, compliance officer, independent audit, goAML registration, enhanced CDD, CTR compliance	Agency Audit; Summary Compliance; Chi-Square Results
Tool 3: Transaction Review/Extraction Form	Suburb group, property type, buyer type, payment method, beneficial ownership status, third-party involvement, valuation anomaly, title irregularity, PEP link, foreign link	Transactions; Summary Payments; Chi-Square Results
Analytical note	Risk Score and Risk Level are derived from Tool 3 variables	Transactions

	during analysis and should not appear as direct data-collection questions	

TOOL 1: STRUCTURED QUESTIONNAIRE FOR KEY REAL-ESTATE AND AML STAKEHOLDERS

Purpose of the tool

This questionnaire is designed to collect standardised information from estate agents, lawyers/conveyancers, property developers, bank compliance officers, FIU/EAC officials, and Deeds/Companies Registry officials in Harare Metropolitan Province. It aligns with the respondent-level dataset used in Chapter 4 and also provides the perception and practice data needed to interpret the quantitative findings.

Instructions to respondent

Please tick the most appropriate response where options are provided. Where a short-written response is required, write briefly and clearly. The information collected is for academic purposes only, and no personal names should be written on the questionnaire.

Section A: Respondent Profile

Item	**Response options / entry space**
A1. Respondent code	_____
A2. Professional category	☐ Estate agent ☐ Lawyer/conveyancer ☐ Property developer ☐ Bank compliance officer ☐ FIU/EAC official ☐ Deeds/Companies Registry official
A3. Gender	☐ Male ☐ Female
A4. Age group	☐ 25–34 years ☐ 35–44 years ☐ 45–54 years ☐ 55 years and above
A5. Highest qualification	☐ Diploma ☐ Bachelor's degree ☐ Master's degree ☐ Professional/other certification
Item	**Response options / entry space**
A6. Years of work experience in the sector	☐ Less than 5 years ☐ 5–10 years ☐ 11–15 years ☐ More than 15 years

Section B: Exposure of Harare Real Estate to Money-Laundering Risk

For Questions B1–B8, tick one option for each statement: 1 = Strongly disagree, 2 = Disagree, 3 = Not sure, 4 = Agree, 5 = Strongly agree.

Statement	1	2	3	4	5
B1. Cash purchases increase money-laundering vulnerability in Harare's real-estate market.	☐	☐	☐	☐	☐
B2. Mixed-payment arrangements make source-of-funds verification difficult.	☐	☐	☐	☐	☐
B3. Use of third parties or nominees is a significant red flag in property transactions.	☐	☐	☐	☐	☐
B4. Weak beneficial ownership transparency increases the risk of illicit property acquisition.	☐	☐	☐	☐	☐
B5. Valuation anomalies (over-valuation or under-valuation) can conceal illicit financial activity.	☐	☐	☐	☐	☐
B6. Title/document irregularities create opportunities for laundering and concealment.	☐	☐	☐	☐	☐
B7. Foreign-linked buyers may require enhanced scrutiny in some transactions.	☐	☐	☐	☐	☐
B8. Politically exposed persons should be subject to stronger due diligence in real-estate transactions.	☐	☐	☐	☐	☐

Section C: Effectiveness of AML Controls

Statement	1	2	3	4	5
C1. Estate agencies in Harare generally understand their AML obligations.	☐	☐	☐	☐	☐
C2. Staff training on AML compliance is adequate in the sector.	☐	☐	☐	☐	☐
C3. Customer due diligence and source-of-funds verification are applied consistently.	☐	☐	☐	☐	☐
C4. Suspicious transaction reporting is taken seriously by real-estate actors.	☐	☐	☐	☐	☐
C5. The goAML reporting platform has improved reporting discipline.	☐	☐	☐	☐	☐
C6. The Estate Agents Council and FIU provide adequate supervision and guidance.	☐	☐	☐	☐	☐
C7. Registry systems provide timely and reliable information for verification.	☐	☐	☐	☐	☐

Section D: Roles of Gatekeepers and Institutions

Institution / actor	Role is effective	Brief comment
D1. Estate agents	☐ Yes ☐ No ☐ Partly	_____
D2. Lawyers/conveyancers	☐ Yes ☐ No ☐ Partly	_____
D3. Banks/compliance departments	☐ Yes ☐ No ☐ Partly	_____
D4. Financial Intelligence Unit	☐ Yes ☐ No ☐ Partly	_____
D5. Estate Agents Council	☐ Yes ☐ No ☐ Partly	_____
D6. Deeds Registry / Companies Registry	☐ Yes ☐ No ☐ Partly	_____

Section E: Most Common Red Flags Observed in Practice

Possible red flag	Tick if commonly observed
E1. Large cash payment for property purchase	☐
E2. Buyer unwilling to disclose beneficial owner	☐
E3. Use of nominee, proxy or unrelated third party	☐
E4. Purchase price appears far above or below market value	☐
E5. Incomplete or suspicious title documentation	☐
E6. Frequent use of shell company, trust or complex ownership structure	☐
E7. Foreign-linked buyer with limited explanation of funds	☐
E8. PEP involvement without enhanced checks	☐

Section F: Open-Ended Questions

F1. In your view, what is the single biggest AML vulnerability in Harare's real-estate sector? _____

_____ _____ _____
F2. What practical changes would most improve source-of-funds and beneficial ownership verification? _____ _____ _____ _____
F3. What challenges prevent regular suspicious transaction reporting in the sector? _____ _____ _____ _____
F4. Any additional comments relevant to AML risks in Harare real estate. _____ _____ _____ _____

TOOL 2: ESTATE AGENCY AML COMPLIANCE AUDIT CHECKLIST

Purpose of the tool

This checklist is designed for structured review of estate agencies operating in Harare. It aligns directly with the Agency Audit dataset in the Chapter 4 workbook and is intended to capture observable AML controls and compliance arrangements at organisational level.

Instructions to field researcher

Complete one checklist per agency. Tick the appropriate response after reviewing available records or obtaining confirmation from the responsible officer. Where evidence is unavailable, make a note in the comments section.

Administrative field	**Entry**
Agency code	_____
Location	☐ Harare CBD ☐ Borrowdale ☐ Avondale ☐ Marlborough ☐ East-lea ☐ Westgate ☐ Southerton

Agency type	☐ Independent ☐ Branch office ☐ Developer-affiliated	
Compliance item	**Response**	**Evidence / comment**
1. Annual AML training is adequate	☐ Yes ☐ No	_____
2. Agency files STRs regularly where suspicion arises	☐ Yes ☐ No	_____
3. Agency has a written AML policy	☐ Yes ☐ No	_____
4. Agency has a designated compliance officer	☐ Yes ☐ No	_____
5. Agency undertakes independent AML audit/review	☐ Yes ☐ No	_____
6. Agency is registered on goAML	☐ Yes ☐ No	_____
7. Agency applies enhanced CDD / source-of-funds checks for higher-risk cases	☐ Yes ☐ No	_____
8. Agency complies with cash transaction reporting obligations	☐ Yes ☐ No	_____

Agency Compliance Summary Box

Summary indicator	**Entry**
Overall compliance impression	☐ Weak ☐ Moderate ☐ Strong
Most serious control gap observed	_____
Immediate recommendation to agency	_____

TOOL 3: REAL-ESTATE TRANSACTION REVIEW / EXTRACTION FORM

Purpose of the tool

This form is used to extract standardised data from transaction records, transaction files or documentary case reviews. It aligns directly with the Transactions sheet in the Chapter 4 workbook. The tool captures the red-flag variables required for later risk scoring and cross-tabulation during analysis.

Instructions to field researcher

Complete one form per transaction reviewed. Tick one option per variable unless otherwise stated. Do not write names of private individuals. Use coded identifiers only.

Variable	Capture options / entry space
Transaction ID	_____
Suburb group	☐ CBD/Commercial ☐ Low-density ☐ High-density ☐ Northern suburbs ☐ Industrial fringe
Property type	☐ Residential stand ☐ High-density house ☐ Low-density house ☐ Commercial property ☐ Flat/apartment
Buyer type	☐ Individual buyer ☐ Local company ☐ Trust/nominee arrangement ☐ Foreign-linked company
Payment method	☐ Cash ☐ Bank transfer ☐ Mixed payment ☐ Mortgage finance
Beneficial ownership status	☐ Clearly identified ☐ Partially identified ☐ Not readily identified
Third-party involvement	☐ Yes ☐ No
Valuation anomaly	☐ Anomaly observed ☐ No anomaly
Title irregularity	☐ Irregularity observed ☐ No irregularity
PEP link	☐ Yes ☐ No
Foreign link	☐ Yes ☐ No
Researcher notes	_____ ___ _____ ___

Analytical note for Tool 3

The following variables are derived during analysis and therefore do not need a field-entry question: Risk Score and Risk Level. These are calculated from the observed red flags captured above, especially payment method, beneficial ownership status, third-party involvement, valuation anomaly, title irregularity, PEP link, foreign link and buyer type.

CODING GUIDE FOR DATA ENTRY

Workbook field	Suggested coding	Note
Role	Use exact category labels	Must match workbook values exactly
Gender	Male / Female	Do not abbreviate during entry
Age Group	25–34; 35–44; 45–54; 55+	Use workbook grouping
Years Experience	Less than 5; 5–10; 11–15; More than 15	Use exact labels
Training Status	Adequate training / Inadequate training	Organisation-level variable
Regular STR Filing	Yes / No	Organisation-level variable
Payment Method	Cash / Bank transfer / Mixed payment / Mortgage finance	Transaction-level variable
Beneficial Ownership Status	Clearly identified / Partially identified / Not readily identified	Transaction-level variable
Valuation Anomaly	Anomaly observed / No anomaly	Transaction-level variable
Title Irregularity	Irregularity observed / No irregularity	Transaction-level variable
PEP Link	Yes / No	Transaction-level variable

END OF INSTRUMENT PACK

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