

BUSINESS PLAN FOR THE ESTABLISHMENT OF REAL ESTATE WAREHOUSE AND OTHER COMMERCIAL PROJECTS IN DAR ES SALAAM - TANZANIA

Business Name & Description:

Name: EFFIE INVESTMENTS COMPANY LTD

Industry: Warehouse Project (Commercial Building)

Business Model: Warehouse Property development, ICD, leasing, property management.

Mission Statement:

To provide high-quality, affordable warehouse and commercial spaces in Tanzania, focusing on sustainability and customer satisfaction.

Vision Statement:

To be the leading real estate company in Tanzania, known for innovative solutions, transparency, and creating value for stakeholders.

Business Objectives:

1. To develop Warehouse projects and Industrial parks for investors
2. To build up commercial showrooms
3. To develop private modernized Inland Container Depot (ICD)
4. Establish a successful real estate brokerage in Tanzania within the first year.
5. Develop a portfolio of EFFIE residential/commercial properties by year three.
6. Build a strong network of investors, real estate professionals, and government officials to create a sustainable business.

Business Overview

Company Structure:

Sole Proprietorship, Partnership, or Limited Liability Company .

Founders/Management Team: Key personnel (e.g., CEO, marketing director, project manager, etc.).

Products and Services:

Property Sales: Commercial properties (offices, retail spaces, Warehouses, Showrooms), Land development.

Property Leasing & Renting: Residential and commercial space leasing (Warehouse, Industrial Parks).

Property Management: Managing rental properties, tenant relations, maintenance, and operations.

Real Estate Brokerage: Facilitating transactions for buying and selling properties.

Market Research and Analysis

Industry Overview:

Tanzania's real estate sector is growing, driven by increasing urbanization, a growing middle class, and infrastructure development. Major cities like Dar es Salaam, Arusha, and Mwanza present significant opportunities for residential and commercial real estate.

Market Trends:

1. Growing demand for affordable housing due to urban migration.
2. Increasing interest in commercial real estate as Tanzania's economy diversifies.
3. Popular areas for real estate investments: Dar es Salaam, Arusha, Dodoma, Mwanza and Mbeya.

Target Market:

Residential Properties: Young professionals, middle-class families, expatriates, and retirees.

Commercial Properties: Local businesses, international corporations, and retail outlets.

Real Estate Investors: Foreign and local investors seeking high returns.

Competitive Landscape:

Established companies like ALBENAA INVESTMENT and emerging local developers.

Differentiation by offering affordable housing, superior customer service, or eco-friendly developments.

SWOT Analysis:

Strengths: High demand for housing, growing middle class, urbanization.

Weaknesses: High initial capital investment, land acquisition challenges.

Opportunities: Government infrastructure projects, urban development zones.

Threats: Regulatory challenges, economic fluctuations, competition.

Marketing & Sales Strategy

Branding:

Positioning the company as trustworthy, customer-focused, and innovative.

Logo, color scheme, and tagline that reflect the brand's mission.

Marketing Channels:

Online: Website, social media platforms (Facebook, Instagram, LinkedIn), online property listing platforms.

Offline: Billboards, flyers, local real estate fairs, partnerships with local agents.

Public Relations: Press releases, sponsorship of local community events.

Sales Strategy:

Direct Sales: Real estate agents, in-house sales team.

Partnerships: Work with banks for mortgage options and with construction companies for project development.

Referral Programs: Encourage satisfied clients to refer new customers.

Special Offers: Discounts for first-time buyers, long-term tenants, etc.

Operations Plan

Location and Facilities:

Office location in Plot number 1010 Sukita street in Ilala, Buguruni, Dar es Salaam or another growing city.

Physical office for client meetings and showrooms for property tours.

Technology:

Property management software for tracking property listings, tenant details, and maintenance.

A user-friendly website and mobile app for customers to view and inquire about properties.

Suppliers and Partners:

Construction Companies: For property development.

Banks and Financial Institutions: For financing options.

Legal and Compliance Services: For contracts, land acquisition, etc.

Employment Plan

YEAR	Local	Female	Male	Expatriate	Male	Female
1	5	2	3	4	3	1
2	10	3	7	2	2	1
3	25	10	15	2	1	1

Key Roles and Responsibilities:

Name: Changliang Sun

CEO: Oversees operations and strategy and team building.

Sales/Marketing Team: Responsible for driving sales and generating leads.

Name: Mussa Harun

Property Managers: Handle tenant management and property upkeep.

Name: Winston Mosha

Legal and admin Team: Deals with contracts, land acquisition, and regulatory compliance

Financial Plan

Startup Costs:

Initial Investment: 1,000,000 USD

Capital for office setup, initial property acquisitions, staff salaries, marketing, and legal fees.

Projected Initial Costs:

Description	Size/Quantity	Amount in USD
Land and Buildings	20,000 square meters	720,000
Plants/Folk Lift		160,000
Vehicles		20,000
Furniture and Fittings		4,000
Pre-expenses		16,000
Working Capital		80,000
Total Investment		1,000,000

Revenue Model:

- Property Sales:** Profit from the sale of residential and commercial properties.
- Rental Income:** Monthly income from rental properties like Warehouses.
- Brokerage Fees:** Commission on property sales and leases.
- Property Management Fees:** Monthly fees for managing properties.

Financial Projections: Year 1:

Expected Revenue: \$1,250,000 USD

Operating Expenses: \$920,000 USD

Break-even Expected By: October 2026

Year 2: Financial Projections:

Expected Revenue: \$1,450,000 USD

Operating Expenses: \$620,000 USD

Break-even Expected By: October 2027

Year 3 and Beyond:

Expected Revenue: \$1,650,000 USD

Operating Expenses: \$520,000 USD

Break-even Expected By: October 2028

Others: Expanded portfolio, with diversified income streams from both residential and commercial properties.

Funding Requirements:

1. The project is 100% funded by the shareholder source of capital
2. There is no loan from foreign or local sources

Risk Management

Potential Risks:

1. Economic downturns impacting property sales and rents.
2. Regulatory changes affecting land acquisition and property development.
3. Competition from larger developers and market fluctuations.

Risk Mitigation Strategies:

1. Diversify property portfolio to include both affordable housing and commercial properties.
2. Maintain strong relationships with local government and regulatory bodies to stay informed on any changes.
3. Implement contingency plans for economic downturns (e.g., reduce costs, negotiate with tenants).

Conclusion

The Tanzanian real estate market offers substantial opportunities for growth, especially with the country's urbanization and infrastructure development.

By focusing on both residential and commercial properties, creating a customer-centric approach, and being adaptable to market changes, **EFFIE INVESTMENTS COMPANY LIMITED** is poised to succeed in the competitive Tanzanian real estate market.