

# **Business Plan for Chengze Group Co. Limited**

**Real Estate Development and Commercial Leasing – Dar es Salaam**  
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# 1. Executive Summary

Chengze Group Co. Limited, established in 2024 and headquartered in the vibrant city of Dar es Salaam, Tanzania, is a forward-thinking real estate development company dedicated to delivering premium residential, mixed-use, and commercial properties. With Dar es Salaam experiencing rapid urbanization and a growing demand for modern, sustainable living and working spaces, Chengze is strategically positioned to capitalize on these opportunities. The company's ambitious vision is to develop over 75,000 square meters of high-quality real estate within the next seven years, transforming the urban landscape while delivering exceptional value to stakeholders.

This comprehensive business plan outlines a revised and pragmatic strategy based on the confirmed availability of \$2 million in foreign equity as the sole funding source for the initial phase. The company will focus on executing Phase 1 of its development plan in Mikocheni, Dar es Salaam, with a commitment to reinvesting profits to fund subsequent phases. By leveraging modern construction techniques, sustainable design principles, and localized execution strategies, Chengze aims to create high-quality properties that meet market demands, generate robust financial returns, and contribute to the urban and economic progress of Tanzania. The plan emphasizes operational efficiency, strategic partnerships, and a phased approach to growth, ensuring scalability and long-term success in a dynamic market environment.

## 2. Company Description

Chengze Group Co. Limited is a private, foreign-owned real estate development company registered under Tanzania's Companies Act, 2002. Headquartered in the bustling Mikocheni area of Dar es Salaam, the company is driven by a team of seasoned professionals with extensive expertise in real estate development, construction management, financial planning, and architectural design. This diverse leadership team is committed to delivering innovative, sustainable, and community-focused real estate solutions that align with Tanzania's urban development goals.

### 2.1 Business Activities

Chengze Group Co. Limited engages in a broad spectrum of real estate activities, including:

- **Residential Property Development:** Designing and constructing high-quality apartments, townhouses, and gated communities tailored to the needs of middle-income families, young professionals, and expatriates.
- **Commercial and Mixed-Use Development:** Developing modern office spaces, retail centers, and mixed-use buildings to cater to the growing demand from SMEs, tech startups, and international firms.
- **Strategic Land Acquisition:** Identifying and acquiring prime land in high-growth areas of Dar es Salaam and other emerging regions to ensure long-term scalability.

- **Property Consultancy and Management Services:** Offering expert advisory services for property development, leasing, and facility management to maximize value for clients and investors.

## 2.2 Legal Structure

- **Registration:** Incorporated in 2024 with the Business Registrations and Licensing Agency (BRELA), Tanzania.
- **Head Office:** Plot 123, Mikocheni, Dar es Salaam, a strategic location with proximity to key business districts and residential hubs.
- **Leadership Team:**
  - **Na Xu :** A visionary leader with over 15 years of experience in real estate development and project management across East Africa.
  - **Runze Wu :** A financial strategist with expertise in securing and managing foreign investments for large-scale projects.
  - **Runtian Wu :** An operations expert specializing in construction management and sustainable building practices.
- **Shareholding:** 100% foreign equity ownership, ensuring full control over strategic decision-making and alignment with global investment standards.

## 3. Vision, Mission, and Values

### Vision

To establish Chengze Group Co. Limited as Tanzania's premier developer of innovative, sustainable, and community-oriented real estate projects, setting a benchmark for quality and urban progress.

### Mission

To design, develop, and manage high-quality residential and commercial properties that enhance the quality of life, foster economic growth, and inspire investor confidence in Tanzania's real estate market.

### Core Values

- **Innovation:** Embracing cutting-edge construction technologies and design trends to deliver modern, future-ready properties.
- **Sustainability:** Prioritizing eco-friendly materials, energy-efficient designs, and environmentally responsible practices.
- **Quality:** Committing to excellence in every aspect of development, from planning to execution.

- **Integrity:** Upholding transparency, ethical practices, and accountability in all business dealings.
- **Community:** Engaging with local communities to create inclusive, socially impactful developments.

## 4. Market Analysis

### 4.1 Key Trends

Dar es Salaam, Tanzania's economic hub, is experiencing significant growth, driven by:

- **Rapid Urbanization:** The city's urban population is growing at an annual rate of 5.8%, increasing demand for housing and commercial spaces.
- **Rising Demand for Mid-Income Housing:** A burgeoning middle class and expatriate community are seeking affordable yet modern residential options.
- **Growing SME and Startup Ecosystem:** The rise of small and medium enterprises (SMEs) and tech startups is fueling demand for flexible, high-quality office spaces.
- **Government Support for Sustainability:** Policies promoting eco-friendly construction and urban planning align with Chengze's sustainability goals.
- **Infrastructure Development:** Investments in roads, ports, and public utilities are enhancing Dar es Salaam's appeal as a real estate investment destination.

### 4.2 Target Market

Chengze Group Co. Limited targets a diverse customer base:

- **Residential Segment:**
  - Young professionals seeking modern, conveniently located apartments.
  - Middle-income families looking for secure, community-oriented townhouses.
  - Expatriates requiring high-standard accommodations with premium amenities.
- **Commercial Segment:**
  - SMEs and tech startups needing affordable, flexible office spaces.
  - International firms seeking premium office spaces in prime locations.
- **Retail and Industrial Segment:**
  - Retail chains looking for high-traffic locations in mixed-use developments.
  - Logistics and warehousing companies requiring strategically located industrial spaces.

### 4.3 Competitors

The Tanzanian real estate market is competitive, with key players including:

- **National Housing Corporation (NHC):** A government-backed entity focused on affordable housing and large-scale developments.
  - **Baps Construction:** A private developer known for residential and commercial projects in Dar es Salaam.
  - **Azam Group and Quality Group:** Diversified conglomerates with significant real estate portfolios.
- Chengze differentiates itself through its focus on sustainability, modern design, and community engagement, positioning it as a leader in premium, eco-conscious developments.

## 5. Products and Services

Chengze Group Co. Limited offers a comprehensive portfolio of real estate products and services:

- **Residential Developments:** Modern apartments and townhouses with amenities such as gated security, green spaces, and smart home features.
- **Mixed-Use Developments:** Integrated complexes combining residential units, office spaces, and retail outlets to create vibrant urban hubs.
- **Commercial Leasing:** Flexible office and retail spaces designed for SMEs, startups, and multinational corporations.
- **Facility Management:** Comprehensive property management services, including maintenance, security, and tenant support.
- **Property Development Consulting:** Advisory services for land acquisition, project planning, and regulatory compliance.

## 6. Operations Plan

### 6.1 Development Phases

Chengze's development strategy is structured in three phases, with Phase 1 fully funded by the \$2 million equity investment:

- **Phase 1 (2025–2026):**
  - **Location:** Mikocheni, Dar es Salaam.
  - **Scope:** 15,000 square meters, including 100 residential units (apartments and townhouses) and 5,000 square meters of commercial office and retail space.
  - **Timeline:** Construction begins in Q3 2025, with completion and initial leasing by Q4 2026.
  - **Budget:** Fully funded by \$2 million equity.
- **Phase 2 (2027–2028):**

- Expansion to additional 20,000 square meters in Dar es Salaam, potentially in Kigamboni or Tegeta.
- Funded through reinvested profits from Phase 1 or new equity partnerships.
- **Phase 3 (2029 and Beyond):**
  - Large-scale developments in Dodoma, Zanzibar, and Arusha, targeting 40,000+ square meters.
  - Exploration of public-private partnerships for affordable housing initiatives.

## 6.2 Staffing Plan

Chengze will scale its workforce to match project demands:

- **Year 1 (2025):** 20 staff, including project managers, architects, engineers, and administrative personnel.
- **Year 3 (2027):** 50 staff, adding legal, marketing, and sustainability specialists.
- **Year 5 (2029):** 80+ staff, including dedicated teams for facility management, community engagement, and regional expansion.

## 6.3 Strategic Partnerships

To ensure operational success, Chengze will collaborate with:

- **Local Contractors and Architectural Firms:** To leverage local expertise and ensure compliance with Tanzanian standards.
- **Utility and Regulatory Agencies:** To streamline permitting and infrastructure integration.
- **Materials Suppliers:** To secure high-quality, sustainable construction materials at competitive prices.

# 7. Financial Plan

## 7.1 Investment Cost Plan

The \$2 million equity investment will be allocated as follows:

| Item                   | Cost (USD)         |
|------------------------|--------------------|
| Land Acquisition       | \$800,000          |
| Construction (Phase 1) | \$850,000          |
| Legal & Permits        | \$50,000           |
| Marketing & Sales      | \$100,000          |
| Operations & Staffing  | \$200,000          |
| <b>Total</b>           | <b>\$2,000,000</b> |

## 7.2 Revenue Projections

Revenue will be generated through pre-sales, sales, and leasing of residential and commercial properties:

| Year | Revenue (USD) | Source  |
|------|---------------|---|
| 2025 | \$800,000     | Pre-sales of residential units, initial commercial leases |
| 2026 | \$2,000,000   | Full Phase 1 sales and commercial leases                  |
| 2027 | \$3,500,000   | Rental income, reinvestment in Phase 2                    |
| 2028 | \$5,000,000   | Expansion, new leases, stabilized occupancy               |
| 2029 | \$6,500,000   | Full occupancy, new project pre-sales                     |

## 7.3 Financing Plan

- **Equity Capital:** \$2 million from foreign investors, fully committed for Phase 1.
- **Debt Financing:** No loans secured as of June 2025. Future phases may explore debt financing or additional equity partnerships.
- **Reinvestment Strategy:** Profits from Phase 1 will be reinvested to fund Phase 2, reducing reliance on external financing.

## 7.4 Profit Margin Targets

Chengze aims to achieve increasing profit margins through operational efficiency and market positioning:

| Year | Profit Margin |
|------|---------------|
| 2025 | 10%           |
| 2026 | 18%           |
| 2027 | 22%           |
| 2028 | 25%           |
| 2029 | 27%           |

# 8. Risk Analysis and Mitigation

## 8.1 Key Risks

- **Regulatory Hurdles:** Delays in obtaining permits or navigating complex zoning regulations.
- **Inflation in Material Prices:** Rising costs of construction materials due to global supply chain disruptions.

- **Currency Depreciation:** Volatility in the Tanzanian Shilling impacting project costs and returns.
- **Market Saturation:** Potential oversupply of residential or commercial properties in certain Dar es Salaam zones.

## 8.2 Mitigation Strategies

- **Legal Due Diligence:** Engaging experienced local legal firms to ensure compliance with all regulations.
- **Fixed-Rate Contracts:** Negotiating fixed-price agreements with suppliers to mitigate cost inflation.
- **Price-Competitive Housing:** Offering competitively priced units to attract a broad customer base.
- **Strategic Phasing:** Implementing a phased development approach to manage market risks and cash flow.

## 8.3 Sustainability Initiatives

Chengze is committed to environmentally responsible development:

- **Renewable Energy:** Integrating solar panels and energy-efficient systems in all projects.
- **Water Conservation:** Implementing rainwater harvesting and greywater recycling systems.
- **Local Sourcing:** Using locally sourced materials and labor to reduce carbon footprints and support the local economy.
- **Community Engagement:** Partnering with local communities to ensure developments meet their needs and foster inclusivity.

# 9. Growth Strategy

## Short-Term (2025–2026)

- **Complete Mikocheni Project:** Deliver Phase 1 on time and within budget, establishing Chengze's reputation for quality and reliability.
- **Aggressive Marketing:** Launch targeted marketing campaigns to attract pre-sales and leasing agreements.
- **Land Evaluation:** Identify and evaluate land for Phase 2 in high-growth areas like Kigamboni or Tegeta.

## Mid-Term (2027–2028)

- **Regional Expansion:** Begin development in Kigamboni or Tegeta, targeting an additional 20,000 square meters.

- **Digital Leasing Platform:** Launch an online platform to streamline leasing and property management processes.
- **Secure Additional Financing:** Explore new equity partnerships or debt financing to fund Phase 2 and beyond.

### **Long-Term (2029 and Beyond)**

- **Launch REIT:** Establish a Real Estate Investment Trust (REIT) to attract passive investors and diversify funding sources.
- **Geographic Diversification:** Expand to emerging markets such as Dodoma, Zanzibar, and Arusha.
- **Public-Private Partnerships:** Collaborate with the Tanzanian government on affordable housing initiatives to address social needs.

## **10. Conclusion**

Chengze Group Co. Limited is poised to become a leader in Tanzania's real estate sector by delivering innovative, sustainable, and high-quality developments. With an initial \$2 million equity investment, a strategic focus on Dar es Salaam's growing market, and a phased approach to growth, the company is well-positioned to achieve its vision of transforming Tanzania's urban landscape. By prioritizing sustainability, community engagement, and operational excellence, Chengze aims to deliver significant returns to investors while creating lasting social and economic impact in Tanzania.