

Business Plan for Chengze Group Co. Limited

Real Estate Development and Commercial Leasing - Dar es
Salaam

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Dar es Salaam, Tanzania

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1 Executive Summary

Chengze Group Co. Limited, established in 2024 and headquartered in Dar es Salaam, Tanzania, is a dynamic real estate development company focused on delivering premium residential, mixed-use, and commercial properties. With a strategic vision to capitalize on Dar es Salaam's rapid urbanization, the company aims to develop over 75,000 square meters of high-quality real estate within the next seven years. This business plan outlines a comprehensive strategy to secure \$2.5 million in initial funding, combining foreign equity, domestic loans, and strategic partnerships.

Chengze leverages advanced construction technologies, sustainable design principles, and local expertise to meet the growing demand for modern residential and commercial spaces. The revenue model encompasses direct property sales, long-term leasing, and property management services, projecting a 22% profit margin by Year 3. Dar es Salaam's burgeoning population, coupled with increased foreign investment and government incentives, positions Chengze for robust growth and sustainable returns.

2 Company Description

Chengze Group Co. Limited is a privately owned entity incorporated under Tanzania's Companies Act, 2002. Headquartered in Dar es Salaam, the company is driven by a team of international and local professionals with extensive experience in real estate development, finance, and project management.

2.1 Business Activities

- Development of residential and commercial properties for sale and lease
- Construction and management of mixed-use commercial buildings
- Strategic land acquisition and urban planning collaborations
- Property management and consultancy services

2.2 Legal Structure

- **Incorporation:** 2024, registered with BRELA
- **Head Office:** Plot 123, Mikocheni, Dar es Salaam
- **Directors:** Na Xu (CEO), Runze Wu (CFO), Runtian Wu (COO)
- **Shareholding:** 70% foreign investors, 30% local stakeholders

3 Vision, Mission, and Values

3.1 Vision

To establish Chengze as the premier developer of innovative, sustainable, and high-quality real estate projects across Tanzania and East Africa.

3.2 Mission

To design, construct, and manage modern residential and commercial spaces that enhance urban living, foster community development, and deliver exceptional value to stakeholders.

3.3 Core Values

- **Innovation:** Embracing cutting-edge design and construction technologies
- **Quality:** Delivering durable, aesthetically pleasing properties
- **Sustainability:** Integrating eco-friendly practices in all projects
- **Community:** Prioritizing local employment and stakeholder engagement
- **Integrity:** Upholding transparency and ethical business practices

4 Market Analysis

Dar es Salaam, Tanzania's economic hub, is experiencing rapid urbanization, with a population growth rate of 5.8% annually. This growth drives demand for modern housing, office spaces, and retail facilities, fueled by urban migration, foreign direct investment, and infrastructure developments like the Dar es Salaam Port expansion.

4.1 Key Market Trends

- Rising demand for affordable and mid-income housing (1-3 bedroom apartments)
- Increased leasing activity by SMEs, startups, and multinational corporations
- Government incentives, including tax breaks for green building projects
- Growing interest in mixed-use developments combining residential, retail, and office spaces

4.2 Target Market

- **Residential:** Middle-income families, young professionals, and expatriates
- **Commercial:** SMEs, tech startups, and international firms seeking premium office spaces
- **Retail and Industrial:** Retail chains, logistics firms, and light manufacturing tenants

4.3 Competitive Landscape

Key competitors include:

- **Local Firms:** Baps Construction, National Housing Corporation (NHC)
- **Foreign Developers:** Azam Group, Quality Group, with strong financial backing

Chengze differentiates itself through sustainable designs, competitive pricing, and strategic partnerships with local architectural firms.

5 Products and Services

Chengze offers a diversified portfolio tailored to Dar es Salaams evolving needs:

1. **Residential Properties:** 1-3 bedroom apartments, townhouses, and gated communities
2. **Commercial Buildings:** Mixed-use complexes with office and retail spaces
3. **Industrial Units:** Warehousing and light industrial facilities
4. **Property Management:** Leasing, maintenance, and tenant support services
5. **Consultancy Services:** Site analysis, feasibility studies, and urban design advisory

6 Operations Plan

Chengzes operations are structured in three phases, focusing on strategic locations in Dar es Salaam and its suburbs.

6.1 Development Phases

- **Phase 1 (2025-2026):** 15,000 sqm mixed-use project in Mikocheni, including 100 residential units and 5,000 sqm of commercial space
- **Phase 2 (2027-2028):** 25,000 sqm of mid-income housing in Kigamboni and Tegeta, targeting 300 units
- **Phase 3 (2029-2030):** 35,000 sqm commercial complex near the city center, featuring office towers and retail hubs

6.2 Staffing Plan

- **Year 1:** 20 employees (engineers, architects, sales, and administrative staff)
- **Year 3:** 50 employees, including on-site construction teams and marketing specialists
- **Year 5:** 80+ employees, with dedicated legal and sustainability teams

6.3 Strategic Partnerships

- Local architectural firms for design innovation
- Licensed contractors for quality construction
- Project management consultants for efficient execution
- Government agencies for regulatory compliance and incentives

7 Financial Plan

7.1 Capital Requirements

- Land acquisition: \$1,000,000
- Construction costs: \$1,200,000

- Legal and permits: \$75,000
- Operations and staffing: \$200,000
- Marketing and sales: \$150,000
- **Total:** \$2,625,000

7.2 Revenue Projections

- **Year 1:** \$1.5M (residential sales, initial leases)
- **Year 2:** \$3.2M (expanded sales and leasing)
- **Year 3:** \$5.0M (commercial rentals, new project sales)
- **Year 5:** \$8.5M (diversified revenue streams)

7.3 Funding Strategy

- **Equity:** \$1.8M (foreign investors, local partners)
- **Debt Financing:** \$700,000 (secured loans, backed by land and assets)
- **Reinvestment:** Profits from Phase 1 to fund Phase 2

7.4 Profit Margin Targets

- Year 1: 15%
- Year 2: 22%
- Year 5: 25%

8 Risk Analysis and Mitigation

8.1 Key Risks

- Regulatory delays and land title disputes
- Rising costs of construction materials
- Economic or market downturns
- Competition from established developers

8.2 Mitigation Strategies

- Comprehensive legal due diligence for land acquisitions
- Long-term supplier contracts with fixed pricing
- Flexible pricing models and phased project rollouts
- Brand differentiation through sustainability and quality

8.3 Sustainability Initiatives

- Integration of solar panels and rainwater harvesting systems
- Use of eco-friendly construction materials
- Accessible designs compliant with universal standards
- Community programs, including local hiring and skills training

9 Growth Strategy

9.1 Short-Term (2025-2026)

- Complete Mikocheni mixed-use project
- Launch digital marketing campaigns (website, social media, virtual tours)
- Establish partnerships with local banks for buyer financing

9.2 Mid-Term (2027-2028)

- Expand to Kigamboni and Tegeta with 300+ residential units
- Develop an online leasing platform with real-time availability
- Secure additional \$2M in funding for Phase 2

9.3 Long-Term (2029 and Beyond)

- Launch a Real Estate Investment Trust (REIT) for investors
- Establish Chengze Construction as a standalone subsidiary
- Expand operations to Dodoma, Arusha, and Zanzibar
- Explore affordable housing initiatives with government partnerships

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 properties. With a strategic focus on Dar es Salaam's growth opportunities, a robust financial plan, and a commitment to community and sustainability, Chengze is well-positioned to achieve its vision and deliver significant returns to stakeholders.