

Dar Village

REF: DV/TIC/2022/001

DATE: 13.07.2022

Executive Director,
Tanzania Investment Center,
P.O.Box 938,
Shabaan Robert Street
Dar es salaam

RE: REQUEST FOR RE-ISSUING OF TIC CERTIFICATE OF INCENTIVE

Please refer to the subject above.

Reference be made on the reissuance of incentive certificate number **060251-01** issued on 11th June 2014 to Dar village limited. Dar village limited is company owned by Tanzania investors based on real estate investments. We are current resuming our development of Commercial retail precinct (commercial building) on plot number 717/5 (P32115) TPDC road, Mikocheni Dar es salaam.

Dar Village seized the development progress due to various reasons, among those was low equity. During the development the equity invested was USD 4.88m and expected loan amount was USD 30 m from financial institutions. The project failed to get the required loan amount from the banks occasioned by the property market crash.

Another reason which caused the project to stop was real estate market crash in USA during period of 2008 to early 2010s, the mortgage defaults in USA financial sector affected the global market at large as the result most of the commercial banks hesitated to issue mortgage to real estate projects which were considered as high-risk investments including Dar village.

Effects of Covid- 19 also affected the implementation of Dar village project, due to this global pandemic many economic activities had stopped worldwide. Materials importations were difficult also travel restrictions was applied as the result the project failed to resume earlier.

Our current plan is to make sure there is smooth performance of the project, various measures has been taken to consolidate this. The following measures have been out in place.

To sell part of the land to increase amount of equity to finance the project. Total of 5 acres were sold to potential buyer. The fund received is used to strengthen the equity of Dar Village, this will increase the equity loan ratio which provide good chance for the banks to finance the loan part of the project.

The board of directors has decided to segment Dar village project into three phases whereby phase one of the project will cover 16,337 sqm of gross development and 14,510 sqm of lettable space. The operation of phase 1 will generate income for completion of phase two and three respectively.

With this regard, we are looking forward to your positive consideration.

Yours Sincerely,

A handwritten signature in black ink, appearing to be 'Zaddock Enock Koola', written over a horizontal line.

ZADOCK ENOCK KOOLA
EXECUTIVE CHAIRMAN