

META VIEW LIMITED

FEASIBILITY STUDY

FOR

**PROPERTY DEVELOPMENT ON PLOT 1802 REGISTERED
UNDER CERTIFICATE OF TITLE NO. 38383, LOCATED ON
MWAYA STREET, MSASANI PENINSULA, KINONDONI
MUNICIPALITY, DAR ES SALAAM.**

**FOR: MANAGEMENT
META VIEW LIMITED
P. O. BOX 32587
DAR ES SALAAM
TANZANIA.**

DECEMBER 2023

1.0 EXECUTIVE SUMMARY

1.1 INTRODUCTION.

Shelter is one of the basic necessities in life after food and clothing. Tanzania is endowed with plenty of investment opportunities including real estate development. Due to the rapid growth of the population of persons (foreigners and national) in Dar es Salaam and other larger cities in Tanzania, the demand for modern housing is increasing in larger cities including Dar es Salaam both for residential and commercial purposes.

The feasibility report that follows is therefore about the market, financial and economic viability of an ultra modern apartments “Peninsula One Apartment” that has been started in a prime area located on Plot 1802 registered under Certificate of Title No. 38383, on Mwaya Street, Msasani Peninsula, Kinondoni Municipality, Dar es Salaam.

1.2 PROMOTERS AND SPONSORS.

The project is promoted by Meta View Limited, a private company registered recently by Chao Nan of Dar es salaam also owners of Home Africa Investment Corporation Limited (civil and building construction) which is among the well established construction companies in Tanzania.

1.3 MARKET POTENTIAL AND TRENDS

Demand

The Tanzanian housing sector’s fast-growing demand is mainly driven by the fast-growing Tanzanian population which is estimates to be 53.47 million and that is expected to more than double by 2050.

Dar es Salaam, with a current population at about 4.3 million, which is expected to quintuple to about 20 million by 2050, is Africa’s fastest growing city according to The United Nations Population Division.

In Dar es Salaam, most of the housing demand and supply for residential real estate projects is concentrated in districts out of the Central Business District (CBD) which is compounded by Kisutu, Kivukoni, Upanga, and Kariakoo areas, where the retail property market is booming.

For residential demand, specifically for apartments, Masaki, Kawe, Mbezi Beach, Mikocheni A, Msasani Beach, and Jangwani Beach are among the most popular areas.

The company based on the information above has decided to develop a modern apartments with luxury services at Msasani Peninsula.

Supply

According to the National Housing Corporation (NHC), the largest - state-owned - real estate developer established to support the growth in Tanzania’s property market, Tanzania’s housing demand is estimated at 200,000 houses annually, which represents 7.83% of the African daily housing demand. This results in a current housing shortage in Tanzania of 3 million houses.

1.4 THE PROJECT

The Meta View Limited project envisages to establish an ultra modern apartments multi storey (5) building on Plot 1802 registered under Certificate of Title No. 38383, on Mwaya Street, Msasani Peninsula, Kinondoni Municipality, Dar es Salaam “Peninsula One Apartments” to provide the highest possible standard of quality and services with a total built up area of about 3,912sq meter. The project whose implementation started in December 2023 is planned to be fully operational by December 2025.

1.5 ESTIMATED CAPITAL COST

The capital of the project is currently estimated at about Tshs.280,000.0m as summarized.

Cost Items	In TShs ‘000		
	Local	Foreign	Total
Land	2,600,000	-	2,600,000
Materials	4,368,000	2,600,000	6,968,000
Labour	1,846,000	-	1,846,000
Others	131,040	-	131,040
Total cost	8,945,040	2,600,000	11,545,000

1.6 FINANCING PLAN

The estimated capital cost of Tshs.11,545,040,000.00 is planned to be financed as follows: -

	LOCAL	FOREIGN	TOTAL
<u>EQUITY</u>			
Shareholders Funds	4,931,378,666		4,931,378,666
Pre sale Apartments	4,013,661,334		4,013,661,334
<u>LOAN(S)</u>			
Institution loan		2,600,000,000	2,600,000000
Other loan			
<u>Total Financing</u>	8,945,040,000	2,600,000,000	11,545,040,000

1.7 MANAGEMENT AND STAFF

As a private company, the overall responsibility of the management of the company will be vested in the Board of Directors representing shareholders and lenders. However, the day of day management of the project will be under a competent team comprising the Managing Director, Real Estate Manager, Chief accountant and maintenance Engineer and other staff.

The project is expected to generate direct employment opportunities to about 10 people of various categories.

1.8 PROFITABILITY AND CASH EARNINGS

A summary of the profit and loss and cash flow statements for the first two years of operations is as follows: -

In Tshs '000

YEAR	2024	2025
Revenue	0	28,080,000
Gross Profit	0	16,961,071
Profit before Tax	(406,270)	16,577,257
Cumulative cash	50,666	1,312,542
Dividend amount	0	10,000,000

1.9 DEVELOPMENT VALUES

The project will have significant social and economic advantages namely:

- 1.9.1**
- (a) The project will reduce a major constrict faced by both foreign and local citizens who always lack good apartments.
 - (b) The project aims at alleviation the current acute shortage of good house and luxury services in Msasani Peninsula, Kinondoni municipal, Dar-Es-Salaam city- Tanzania.
 - (c) Substantial revenue will accrue to the government by way of property/corporation tax and other levies.
 - (d) The project, as conceive, is of high class and will inevitably attract most clients with high capability to pay in foreign currency thereby earring the country the much-needed foreign exchange.
 - (e) The project has provided several jobs during the construction period and thereafter will make available operational permanent jobs to about 10 people.

1.10 CONCLUSION AND RECOMANDATION

Since the project aims at alleviation a crucial shortage of high-class apartments in Msasani Peninsula, and has a big potential to earn foreign exchange its implementation that has reached 90% structural completion should be given full support to its logical conclusion.

2.0 **COMPANY BACKGROUND**

2.1 **THE COMPANY**

2.1.1 Name and Address of the Company
Meta View Limited
P. O. BOX 32587
DAR ES SALAAM, TANZANIA
Telephone: 0747 222 999

2.1.2 **Certificate of Incorporation**

Incorporated and registered in Tanzania as a Limited liability company under certificate of Incorporation No.155242078 Dated 23rd February 2022

2.1.3 **Shareholders**

The shareholders of the company are:
Chao Nan (15 shares)
Bernald G Nkumbi (29 shares)
Oliver L Bhiseko (28 shares)
Shukuru Y Kavenuke (28 shares)

2.1.4 **Authorized share capital**

The authorized share capital of the company is Tshs. 50,000,000/= divided into 500 ordinary shares of Tshs. 100,000/= each. However, an appropriate capital structure will be determined after completion of the construction in order to keep a prudent debt/equity ration.

2.1.5 **Directors**

The first Directors of the company are as follows: -
Chao Nan
Bernald G Nkumbi
Oliver L Bhiseko
Shukuru Y Kavenuke

2.2 **SPONSORS AND ASSOCIATED COMPANIES**

The Meta View Limited are sponsoring the project with diversified business activities to their credit in Tanzania.

3. MARKET POTENTIAL AND TRENDS

3.1 DEMAND

The Tanzanian housing sector's fast-growing demand is mainly driven by the fast-growing Tanzanian population which is estimated to be 53.47 million and that is expected to more than double by 2050.

Dar es Salaam, with a current population at about 4.3 million, which is expected to quintuple to about 20 million by 2050, is Africa's fastest growing city according to The United Nations Population Division.

In Dar es Salaam, most of the housing demand and supply for residential real estate projects is concentrated in districts out of the Central Business District (CBD) which is compounded by Kisutu, Kivukoni, Upanga, and Kariakoo areas, where the retail property market is booming.

For residential demand, specifically for apartments, Masaki, Kawe, Mbezi Beach, Mikocheni A, Msasani Beach, and Jangwani Beach are among the most popular areas.

The company based on the information above has decided to develop a modern apartments with luxury services at Msasani Peninsula.

3.2 SUPPLY

According to the National Housing Corporation (NHC), the largest - state-owned - real estate developer established to support the growth in Tanzania's property market, Tanzania's housing demand is estimated at 200,000 houses annually, which represents 7.83% of the African daily housing demand. This results in a current housing shortage in Tanzania of 3 million houses.

3.3 PRICING AND COMPETITION

Meta View Limited is well located in the potential area of the Msasani Peninsula and selling price will be compared to the other apartments at Msasani with the same quality.

In view of the level of current selling price target date for completion the Meta View Limited intends to sell each unit USD 450,000/= or TZS equivalent.

4.0 THE PROJECT

4.1 PROJECT DEFINITION

The Meta View Limited project envisages to establish an ultra modern apartments multi storey (5) building with 24 units on Plot 1802 registered under Certificate of Title No. 38383, on Mwaya Street, Msasani Peninsula, Kinondoni Municipality, Dar es Salaam “Peninsula One Apartments” to provide the highest possible standard of quality and services with a total built up area of about 3,912sq meter. The project whose implementation started in December 2023 is planned to be fully operational by December 2025.

4.2 LOCATION

The project is located in Mwaya Street, Msasani Peninsula, Kinondoni Municipality, Dar es Salaam. The site will have an area of 3,912sqm on completion.

4.3 DESCRIPTION OF THE FACILITIES.

The projects will involve provision of high class apartments with luxury services..

The design concept of the project therefore entails the following:-

(a) Phase I

Phase one of the project that is already completed involved acquisition of land property and site cleaning.

This phase has provided a total Gross build up area of 3,912m² (fully utilization of the space).

(b) Phase II

Phase two involves construction of a five story building with 24 units apartments from ground to fifth floor.

5.1 CAPITAL INVESTMENT

On the basis of construction rates provided by the quantity surveyors (Q.S) and the project designers, the total capital for outlay for completion of the apartments is now estimated at Tshs. 11,545,040,000 broken down as follows: -

CAPITAL COST OUTLAY (IN Tshs '000)

Cost Items	Local	Foreign	Total
Land	2,600,000	-	2,600,000
Building materials	4,368,000	2,600,000	6,968,000
Labour	1,846,000	-	1,846,000
Others	131,040	-	131,040
		-	-
		-	-
Total cost	8,945,040	2,600,000	11,545,040

The Kinondoni Municipal Council has approved the project.

5.2 FINANCING PLAN

The above capital cost of Tshs 11,545,000,000/= is to be financed as follows:

SOURCES	Tshs. '000
A. SHARE CAPITAL	4,941,378
B. FUNDING FROM:	
(i) Financial Institutions	2,600,000
(ii) Pre Sale Apartments	4,013,661
TOTAL	11,545,040

Some of Equity funds injected so far has already been used and other source that consists of funds from directors. The financial institutions loan is now required to ensure timely completion of the project, by December 2025.

6.0 MANAGEMENT AND STAFF

6.1 MANAGEMENT.

Being a private company Meta View Limited will be managed through a Board of Directors. The company directors are expected to appoint one among them to be the Managing Director of the Company responsible for the day-to-day operations of the company. The Managing Director will be the Chief Executive of the company and will be assisted by a qualified Real Estate Manger, Finance Manager and other staff.

Accordingly, the project is expected to Generate direct employment opportunities to about 10 people of various categories.

7.0 FINANCIAL ANALYSIS

7.1 REVENUE ASSUMPTIONS

The basic assumptions underlying the projected Rental income and related property management expenses are explained below:-

7.1.1 Basic Assumptions.

- (a) The “Meta View Limited” will have a net sell area of 3,912sqm to accommodate storey (5) building with 24 units apartments.
- (b) The Phase II project is expected to be completed by December 2025.
- (c) The apartments space in each phase is net of area like passages, general reception and common services like lifts, staircases, toilets etc. and has been worked out as detailed in Annexure 3.

7.2 OPERATING COST ASSUMPTIONS

7.2.1 DIRECT COSTS.

The direct costs comprise mainly the cost of building materials and supplies as computed below which is expected to be higher during the year of construction of new structures:

7.2.2 OPERATING EXPENSES

Operating expenses are expected to vary based on the economic inflation rate.

7.2.3 SALARIES AND WAGES

Salaries and Wages for staff inclusive of fringe benefits which have been estimated at 153,054,577/= per annum and to be adjusted according to inflation.

7.3. PROJECTED PROFIT AND LOSS ACCOUNTS. (Appendix I)

The above basic revenue and cost assumptions have been summarized and presented in Appendix 1 - projected Profit and Loss Accounts. The Projected account for year 2024 shows clearly that the project will be at loss of Tshs 406,270,098/=, but year 2025 will be profitable with pre- tax profit of Tshs 16,577,256,699/=. Dividends of 30% to 50% could easily be declared and paid from year 2025 onwards.

7.4 PROJECTED CASHFLOWS (Appendix II)

Appendix II presents the projects cash flows for the next 2 years. It is obvious that from the projections that the Meta View Limited will generate substantial cash accumulation to about Tshs 1,312,330,108/= . (From year 2024 year 2025).

7.5 PROECTED BALANCE SHEETS (Appendix III)

The projected Balance sheets for the first 2 years are presented in appendix III. The Balance sheets show positive net current assets throughout the period. The net worth of the company is projected to increase from Tshs 4,535,109,568/= in 2024 to Tshs 6,139,187,257/= in year 2025.

8.0 EMPLOYMENT EFFECTS

The project has provided several employment opportunities during the construction phase and about 10 permanent jobs will be created when the project is fully operational.

8.1 GOVERNMENT TAXED

Since the projections show that the project will be profitable throughout the period under review substantial revenue will accrue to the Government by way of various taxes and rates especially after the first f year of operation.

8.2 ENVIRONMENTAL EFFECTS

The plot for the project is right in the Msasani Peninsula Dar es salaam. The existing buildings that were an eyesore and condemned by the city council have been demolished to provide space for modern buildings that architecturally will greatly add to the general beauty of the city.

9.0 CONCLUSION AND RECOMENDATIONS

9.1 CONCLUSIONS.

The analyses of this project show that: -

- (a) The Project aims at alleviating the current acute shortage of high-class apartments and luxury services in the fast growing Msasani Peninsula.
- (b) The project is highly profitable and will contribute substantial sums to the government by way of taxes and other levies.
- (c) The project has a great potential to earn foreign exchange.

(d) The architectural concept for the project is environmentally sound and will add to the general beauty of the center of Msasani Peninsula.

(e) The project is financially and economically viable.

9.2 RECOMMENDATION.

Since the project is financially and economically viable, environmentally sound and has a potential to earn foreign currency, finalization of its implementation should be given top priority.

Authorized By:

Name: FANG XIAOKAI

Signature:

Dated: December 5th 2023

Title: Director

