

**BUSINESS PLAN**

---

**OF**

---

**LITTLE STAR INVESTMENT CO., LIMITED**

**FROM**

**2024 TO 2029**

**TO**

**TANZANIA INVESTMENT CENTRE**

## Contents

1.0. EXECUTIVE SUMMARY .....	4
2.0. INTRODUCTION .....	5
3.0. BACKGROUND .....	5
3.1. BRIEF HISTORY OF THE BUSINESS AND OUT LOOK OF THE BUSINESS STRENGTH AND GROWTH POTENTIAL. ....	5
4.0 CUSTOMERS AND SERVICES .....	6
4.1 The major customers:.....	6
4.2 The services provided by the company. ....	7
5.0 SHARE HOLDING STRUCTURE OF THE COMPANY .....	8
5.1. OFFICES OF THE COMPANY. ....	8
6.0 SUPPLIES PLAN AND PRODUCTION PLAN. ....	8
6.1 Supplies Plan. ....	8
6.2 Production (Services) Plan. ....	9
7.0 CURRENT POSITION AND FUTURE OUTLOOK .....	9
7.1 Vision:.....	9
7.2 Mission: .....	9
7.3 We engage in spirited teamwork. ....	10
7.4 We help our members, communities and each other. ....	10
7.5 The Operating Principles of Our Company.....	10
7.6 Objectives .....	11
8.0 REAL ESTATE BUSINESS SECTOR PERFORMANCE IN TANZANIA. ....	12
8.1 Residential Market Dynamics .....	12
8.2 Public Sector Involvement .....	12
8.3 Demand and Deficit.....	12
8.4. Urban-Rural Disparities. ....	12
8.5. Dar Es Salaam; A Prime Housing Hub. ....	12
8.6 Market Trend in Dar Es Salaam. ....	13
8.9 General Market Analysis. ....	13
8.10 Real Estate Market Growth Graph in Tanzania.....	14
8.12 Marketing Strategy of Real Estate Company. ....	15
9.0 SUMMARY OF PROJECT DESCRIPTION. ....	16
10.0 FINANCIAL ANALYSIS.....	19

10.1. PROJECT FINANCING.....	19
10.1.1. Sources of funding.....	19
10.1.2. Financial Project Items.....	19
10.1.3 Financial Projections.....	20
10.1.3.1 Sales Projections.....	20
10.1.3.2. Income Projection.....	21
10.1.3.3 Projected Cash flow.....	21
10.1.4 NPV Analysis.....	22
11.0 PROJECT IMPLEMENTATION SCHEDULE AND FUTURE EVENTS.....	23
12.0. PROJECT RATIONALE.....	24
13.0. CONCLUSION.....	24

## 1.0. EXECUTIVE SUMMARY

**Little Star Investment Co., Ltd** is a company duly registered under the laws of United Republic of Tanzania on 24<sup>th</sup> day of March, 2024 and granted certificate of incorporation Number 172766188. Is a leading real estate's company that specializes in [building, buying, selling, renting, or managing] residential and commercial properties. With a strong presence in the real estate market, the company has built a reputation for providing high-quality real estate services to clients.

### **SERVICES:**

**Property Sales: Little Star Investment Co., Ltd** involves in buying and selling of residential and commercial properties.

**Property Rentals:** The company offers a wide range of rental properties, helping clients find the perfect home or office space to meet our client's needs.

**Property Management: Little Star Investment Co., Ltd,** provides comprehensive property management services, including maintenance, tenant screening, and rent collection, to ensure that properties are well-maintained and profitable for owners.

**Developing property; Little Star Investment Co., Ltd** specializing in the planning, design, construction, and management of residential and commercial properties. With a proven track record of successful projects, the company is dedicated to creating high-quality, innovative developments that meet the needs of modern communities.

**Little Star Investment Co., Ltd** is a foreign company owned by Two Chinese. With its 1300 authorized shares some taken by the shareholders. The authorized share capital of the company is Tshs. 1,300,000,000 (USD 491,860.5305 as per BOT exchange rate of Tsh. 2643 per USD of 30<sup>th</sup> June, 2024) that is divided into 13000 ordinary shares of Tshs. 1000, 000 each.

This project focuses on development of the land for the building and apartment which shall be sold or leased, the capital planned is USD **970,276** which 50% will come from foreign equity and 25% will come local loan. At full capacity of the project will directly employ 100 people (14 foreigners and 86 locals) and indirectly employ more than 100 people.

Through the analysis conducted the shareholders of the company have realized feasibility of this project. The market analysis conducted has revealed that the services will penetrate the market and the company can establish its niche. The financial analysis has shown that the investment will pay-off as it has been predicted to make profits.

The object of this business plan is to present the business idea so that the Tanzania Investment Centre (TIC) can provide incentives and immunities to the project presented. The incentives will help this project to develop and since this is a financially, socially and fiscally rational project the management believes that it deserves the incentives.

## **2.0. INTRODUCTION**

The Board of Directors and Senior Management staff of the company met to establish goals and a strategy to achieve those goals for the coming five years. The purpose of this Strategic Plan is to outline the strategy by which we plan to meet our goals. The Strategic Plan to be used are;

- To participate fully in real estate business and property management.
- To identify short-term actions needed to prepare the Society to meet its long-term objectives.
- To help assess the long-term impact of short-term plans.
- To provide basis for financial strategy and;
- To provide control device against which to compare actual progress.

## **3.0. BACKGROUND**

**Little Star Investment Co., Ltd** is a company incorporated under Tanzanian Law, the Companies Act No. 12 of 2002.

### **3.1. BRIEF HISTORY OF THE BUSINESS AND OUT LOOK OF THE BUSINESS STRENGTH AND GROWTH POTENTIAL.**

**Little Star Investment Co., Ltd**, is a company registered in Tanzania under the companies Act, 2002, with the majority shareholders are two (Chinese, is the company dedicated itself in the real estate business and property development.

**Little Star Investment Co., Ltd**, has prepared this Strategic Business Plan (SBP) to describe its strategy and during operation its focus will be to increase its business by building and developing more properties. It is recommended that, the company in the future will look to invest into other regions of Tanzania including Mwanza and Arusha. It expected that this change would help the Society to generate more income and supply of quality and quantity buildings over all the country. But also the company is dedicated to provide employment to the local people and bring in the foreign expert who will share knowledge with local employees.

But also the company truly has decided to participate itself in the development of over whole and fast development of real estate sector in Tanzania in recent years. The company shall be operating in Dar es salaam-Tanzania.

#### **4.0 CUSTOMERS AND SERVICES**

##### **4.1 The major customers:**

1. **Home buyers:** Individuals or families looking to purchase residential properties such as houses, apartments, or condominiums for personal use.
2. **Real Estate Investors:** Investors looking to purchase properties as investments to generate rental income, capital appreciation, or both.
3. **Commercial Tenants:** Businesses or organizations seeking to lease or purchase commercial properties such as office spaces, retail spaces, or industrial facilities, commercial facilities.
4. **Developers:** Companies or individuals involved in property development who may purchase land or existing properties for development projects.
5. **Real Estate Agents and Brokers:** Professionals who help buyers and sellers navigate the real estate market and facilitate property transactions.

6. **Financial Institutions:** Banks and mortgage lenders that provide financing to buyers and investors for property purchases.

7. **Government Entities:** Government agencies or organizations that may acquire or lease properties for public use, infrastructure projects, or government facilities.

8. **Property Management Companies:** Companies that manage properties on behalf of owners, handling tasks such as tenant relations, maintenance, and rent collection.

#### **4.2 The services provided by the company.**

1. **Property Sales:** facilitating the sale of residential, commercial, and industrial properties. This includes marketing properties, arranging viewings, negotiating offers, and managing the sales process.

2. **Property Purchases:** assisting clients in finding and purchasing properties that meet their requirements and budget. This involves property search, property valuation, negotiation, and legal documentation.

3. **Property Rentals:** helping clients find rental properties, whether residential or commercial. This includes property search, lease agreements, tenant screening, rent collection, and property maintenance.

4. **Property Management:** Managing properties on behalf of owners, including tenant relations, rent collection, property maintenance, repairs, and handling day-to-day operations.

5. **Real Estate Investments:** advising clients on real estate investment opportunities, such as rental properties, commercial real estate, or development projects. This may involve market analysis, financial projections, and investment strategies.

6. **Property Development:** engaging in property development projects, including land acquisition, planning, design, construction, and marketing of new developments.

7. **Real Estate Consulting:** Providing expert advice on various real estate matters, such as market trends, property valuation, investment strategies, and legal issues.

8. **Property Valuation:** conducting property valuations to determine the market value of a property for sale, purchase, or financing purposes.

9. **Real Estate Marketing:** Developing and implementing marketing strategies to promote properties for sale or rent, including online listings, advertising, and promotional campaigns.

10. **Tenant Representation:** Representing tenants in lease negotiations, helping them find suitable rental properties, and ensuring their interests are protected.

## 5.0 SHARE HOLDING STRUCTURE OF THE COMPANY

Name	Number of shares taken by each subscriber	Share percent %
FU NAIYUE	1170	90%
LI YUPENG	130	10%

### 5.1. OFFICES OF THE COMPANY.

OFFICES OF THE COMPANY ARE LOCATED AT DAR ES SALAAM REGION, KINONDONI DISTRICT, AND MWENGE, PLOT NO. 16.

## 6.0 SUPPLIES PLAN AND PRODUCTION PLAN.

### 6.1 Supplies Plan.

The company will source its supplies from Tanzania and the neighbor East Africa Countries for products that cannot be sourced from the country. Importation will be done for only those things which cannot be bought from Tanzania.

## 6.2 Production (Services) Plan.

At full capacity the project will provide an area of 11,000 square meters in terms of developed structures (building and industrial shades).

YEARS	Y1	Y2	Y3	Y4	Y5
DETAILS					
Structure Area Developed (sq. m)-A	7,000	8,000	9,500	10,000	11,000
Rate per sq.m-structure-B	7,500	8,000	8,500	9,000	9,000

## 7.0 CURRENT POSITION AND FUTURE OUTLOOK

### 7.1 Vision:

"To be a leading real estate company known for innovation, excellence, and integrity in transforming properties and enriching communities."

### 7.2 Mission:

"Our mission is to provide exceptional real estate services by delivering high-quality properties, fostering lasting relationships, and creating value for our clients, stakeholders, and communities. We aim to exceed expectations through innovation, professionalism, and a commitment to sustainable development practices. Our goal is to be a trusted partner in helping individuals and businesses achieve their real estate goals while contributing positively to the growth and vitality of the areas we serve."

### **7.3 We engage in spirited teamwork.**

We are a team and we collaborate with each other to ensure we make use of the intellectual capital and know-how at **LITTLE STAR INVESTMENT CO., LIMITED**. We demonstrate high level of enthusiasm, fun, and excitement.

### **7.4 We help our members, communities and each other.**

We provide “help” to our key stakeholders, thereby helping them achieve their goals.

To continuously offer services and products that meet the changing needs of our members and to become the preferred service provider of building material to our customers, through continuous technological and customer care improvements with qualified and motivated employees, and contribute to national development and reducing the poverty.

The Society is a member-owned financial institution whose purpose is to promote the financial well-being of its members by providing comprehensive and progressive financial services and having access to a Society system that is strong, stable and successful.

### **7.5 The Operating Principles of Our Company.**

1. **Integrity** conducting all business activities with honesty, transparency, and ethical behavior, maintaining the highest standards of integrity in all dealings.
2. **Customer Focus:** placing clients at the center of operations, prioritizing their needs, and delivering exceptional service to exceed their expectations.
3. **Professionalism:** upholding professionalism in all interactions, maintaining a high level of expertise, knowledge, and skills in the real estate industry.
4. **Quality:** Committing to delivering high-quality properties and services, ensuring excellence in construction, design, and customer experience.
5. **Innovation:** embracing innovation in processes, technologies, and strategies to stay ahead in a competitive market and offer unique solutions to clients.
6. **Teamwork:** Fostering a collaborative work environment, promoting teamwork, communication, and respect among employees to achieve common goals.

7. **Community Engagement:** engaging with local communities, being a responsible corporate citizen, and contributing positively to the areas in which the company operates.
8. **Continuous Improvement:** striving for continuous learning and improvement, seeking feedback, adapting to market dynamics, and evolving to meet changing client needs.
9. **Compliance:** adhering to all legal and regulatory requirements, following industry best practices, and maintaining a commitment to ethical conduct in all business operations.
10. **Sustainability:** incorporating sustainable practices in property development, management, and operations to minimize environmental impact and promote long-term sustainability.

### 7.6 Objectives

1. Our company aims at generating profits by buying, selling, leasing, and managing real estate properties. Maximizing returns on investment is a key goal for these companies.
2. Our company aims to grow their asset base and expand their portfolio of properties. This can be achieved through acquisitions, development projects, and entering new markets.
3. **Customer satisfaction:** Providing excellent service to clients, tenants, and other stakeholders is crucial for real estate companies. Building strong relationships with customers can lead to repeat business and referrals.
4. Work to manage and mitigate risks associated with property investments. This includes factors such as market fluctuations, regulatory changes, and property maintenance issues.
5. **Sustainability:** focusing on sustainability and environmentally friendly practices. This can include energy-efficient buildings, green construction methods, and sustainable property management practices.
6. **Compliance:** comply with a variety of laws and regulations at the local, state, and country levels. Ensuring compliance with legal requirements is an important objective for these companies.
7. **Brand building:** Developing a strong brand and reputation in the real estate market is essential for attracting clients and investors. We focus on building our brand through marketing, networking, and delivering high-quality services.

**8. Employee development:** We aim to attract and retain top talent in the industry. Providing training, professional development opportunities, and a positive work environment are key objectives for these companies.

### **8.0 REAL ESTATE BUSINESS SECTOR PERFORMANCE IN TANZANIA.**

Real estate contributed nearly 2.9 trillion Tanzanian shillings (TZS), some 1.2 billion U.S. dollars, to Tanzania's Gross Domestic Product (GDP) from the first to the third quarter of 2021. In 2020, the industry's value added to the economy reached roughly 3.7 trillion TZS (1.6 billion U.S. dollars), the highest since 2015.

#### **8.1 Residential Market Dynamics**

Dominance of Individual Home-builders of individual home-builders, constituting over 70% percent of the total housing supply.

#### **8.2 Public Sector Involvement**

The remaining housing supply is provided by the public sector through entities such as local governments, the National Housing Corporation (NHC) The Tanzania Building Agency (TBA), the WATUMISHI Housing Company (WHC) and the pension funds like the National Security Social Fund (NSSF), alongside private developer.

#### **8.3 Demand and Deficit**

Tanzania faces a demand estimated of **200,000** units annually, contributing to an existing housing deficit of **3,000,000** units.

#### **8.4. Urban-Rural Disparities.**

In **2018**, Tanzania had **12.3 million** households, with **67%** residing in rural areas and **33 %** residing in urban areas. The urban housing marketing specifically Dar es Salaam witnesses rental landscape.

#### **8.5. Dar Es Salaam; A Prime Housing Hub.**

Dar es Salaam, accounting 51% of the households engaged in renting, features diverse residential segment including High-end properties in **Osterbay** and **Msasani** Peninsular.

## **8.6 Market Trend in Dar Es Salaam.**

Prime residential rents in Dar es Salaam experienced a noteworthy 72% decline.

Housing prices in **Dar es Salaam** range between USD 300,000 to USD 500,000 for a 3-bedroom property in prime locations and start from USD 50,000 for other areas. Tanzania's capital Dodoma is considered an emerging market for residential properties following the government's decision to relocate all ministries and institutions from Dar es Salaam to Dodoma. Demand has increased also due to a growing expert community.

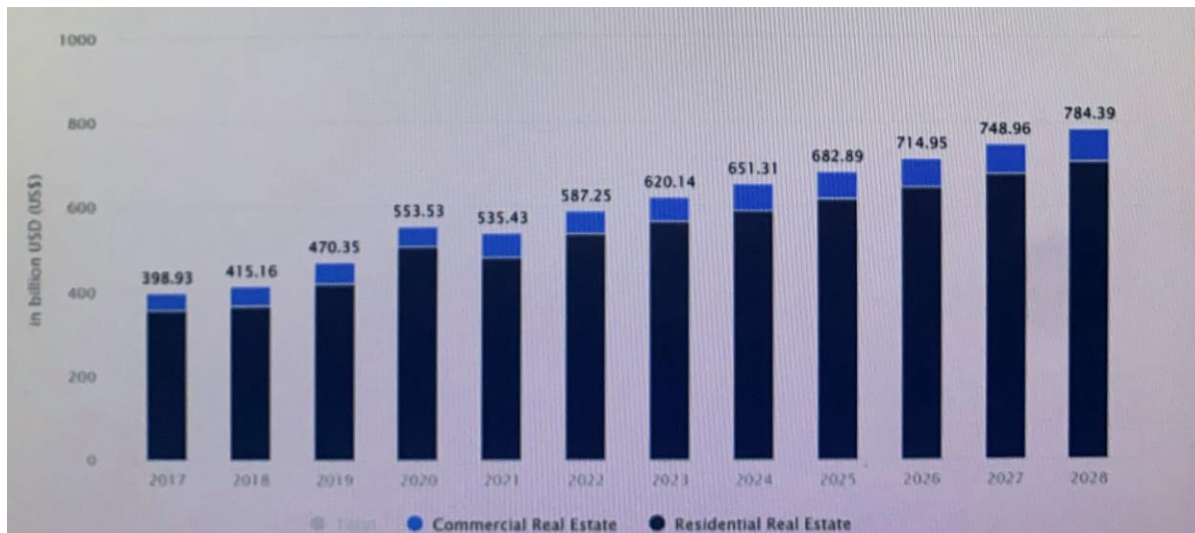
Prime residential rents in Dodoma are between USD 2,500 and USD 3,000 per month on average for a three-bedroom apartment. For low and middle-income households, the NHC launched the Iyumbu satellite center in 2016 which offers 300 three-bedroom stand-alone houses and other facilities. Prices range between USD 25,109 and USD 36,551.

## **8.9 General Market Analysis.**

Tanzania Office Market, Dar es Salaam is the main focus of office market activity in Tanzania. Traditionally, all government offices have been headquartered there and all diplomatic missions and private organizations have a presence in the city. However, office rents have been declining over the past five years, from USD 25 per square meter per month in 2015 to USD 12 in 2019 due to an oversupply of new spaces in the market. Additionally, the government decided to relocate to Dodoma from Dar es Salaam. Due to that move, prices in the Dodoma real estate market are expected to increase. Tanzania Retail Market Tanzania's formal retail activity is centered in Dar es Salaam, the main economic hub of the country. The retail market in Dar es Salaam is largely focused on small retail centers in residential areas. Dar es Salaam has a retail stock of 153,000 square meters. The main premium malls are Mlimani City Mall in Mwenge, Aura Mall in Upanga, and Mkuki Mall in Kisutu. The average rent is USD 20 per square meters per month, while the selling price is USD 2,200 per square meter. The formal retail sector in Dar es Salaam remains undersupplied presenting investors with an opportunity for growth. Nonetheless, informal retail constitutes 80% of the retail market in Dar es Salaam in the form of on-street sales in ad-hoc temporary pavements locally known as "Wamachinga". Tanzania Industrial Market Increased investment and trading activities in Dar es Salaam have led to higher demand for storage space mainly along Nyerere Road which is the prime industrial area in the city. Dar es Salaam is a vital transit trade port handling 95% of Tanzania's trade and connecting the landlocked nations

(Burundi, Rwanda, Zambia, Malawi, and eastern DRC) with their overseas trade partners. However, prime industrial rents fell by 50% over the past four years, from USD 5 per square meter per month in 2016 to USD 3.5 in 2019 due to an oversupply in developments leading to rising vacancies. Demand in Tanzania’s industrial sector is expected to increase due to recent discoveries of natural gas offshore and a broad number of planned infrastructure projects.

### 8.10 Real Estate Market Growth Graph in Tanzania



### 8.11 Challenges Facing Real Estate Business in Tanzania.

In Tanzania rental market practice is pro-landlord however, rents are freely determined. According to the Tanzania Real Estate Report (2008) advance payments can reach up to 6 months or one year, although the legal limit is only two months. Because the formal legal environment process can take years or decades to conclude, landlords often resorts to intimidation, threats and violence to evict tenants. Above that, access to land is Complex and investors regularly encounter delays and non-transparent bureaucracy when attempting to purchase property and register title deeds. On the other hand, the demand for construction materials is increasing forcing the government to allow importation of these products and in some cases to waive duties on the importation of capital goods. For example, cement and steel materials are imported at low prices from China, Dubai and India. There is a steadily increasing supply of townhouses, business

premises and apartments in urban areas in Tanzania that put the real estate sub-sector under tremendous pressure.

### **8.12 Marketing Strategy of Real Estate Company.**

- (i) **Branding:** Develop a strong brand identity that sets your real estate company apart from competitors. This includes a logo, color scheme, tagline, and messaging that convey your company's value proposition and values.
- (ii) **Online Presence:** Establish a strong online presence through a professional website that showcases your property listings, services, and team members. Utilize search engine optimization (SEO) techniques to improve your website's visibility in search engine results.
- (iii) **Social Media Marketing:** Engage with your audience on popular social media platforms like Facebook, Instagram, and LinkedIn. Share property listings, market updates, real estate tips, and engage with followers to build relationships.
- (iv) **Content Marketing:** Create valuable and informative content such as blog posts, videos, infographics, and guides related to real estate trends, buying/selling tips, neighborhood profiles, etc. This helps establish your company as a trusted authority in the industry.
- (v) **Email Marketing:** Build an email list of clients, prospects, and leads, and send out regular newsletters, property updates, market reports, and promotional offers to stay top of mind with your audience.
- (vi) **Networking:** Build relationships with other real estate professionals, local businesses, community organizations, and industry influencers to expand your network and generate referrals.
- (vii) **Advertising:** Invest in targeted online advertising campaigns on platforms like Google Ads, Facebook Ads, and LinkedIn Ads to reach potential clients in your target market segments.
- (viii) **Open Houses and Events:** Host open houses, property tours, seminars, workshops, and networking events to showcase properties, connect with clients, and build brand awareness.

- (ix) **Client Testimonials and Reviews:** Encourage satisfied clients to provide testimonials and reviews that can be shared on your website, social media, and marketing materials to build credibility and trust with potential clients. **Target Market Identification:** Identify the target market segments you want to focus on, such as first-time homebuyers, luxury property investors, commercial clients, etc. Understand their needs, preferences, and buying behaviors.

## 9.0 SUMMARY OF PROJECT DESCRIPTION.

PROJECT NAME	TANCHI REAL ESTATE'S BUSINESS AND INVESTMENT PROJECT.
ANNUAL INVESTMENT PLAN.	THE COMPANY TENDS TO DEVELOP THREE BUILDINGS EACH YEAR AND SALE.
EMPLOYMENT CREATION.	THE PROJECT INTENTS TO EMPLOY MORE THAN 100 EMPLOYEES AT THE RATIO OF; 41- SKILLED LABOURS. 59-UNSKILLED LABOURS. 86-LOCAL EMPLOYEES. 14-FOREIGN EMPLOYEES. THE NUMBER IS NOT FIXED SHALL BE INCREASING AS THE PROJECT EXPAND EACH AND EVERY TIME.
MATERIALS THAT WILL BE USED	<b>Concrete:</b> A versatile and durable material used in foundations, walls, floors, and other structural components.  <b>Steel:</b> Known for its strength and flexibility, steel is commonly used in high-rise buildings, bridges, and industrial structures.  <b>Bricks:</b> Traditional building material used for walls, facades, and partitions due to their durability and aesthetic appeal.

	<p><b>Wood:</b> Used in framing, flooring, and finishing work, wood is a renewable and sustainable building material.</p> <p><b>Glass:</b> Used for windows, doors, and facades to provide natural light and aesthetic appeal.</p> <p><b>Stone:</b> Natural stone such as granite, marble, and limestone are used for cladding, flooring, and decorative purposes.</p> <p><b>Aluminum:</b> Lightweight and corrosion-resistant, aluminum is used in windows, doors, and exterior cladding.</p> <p><b>Insulation materials:</b> Such as fiberglass, foam board, and mineral wool are used to improve energy efficiency and thermal comfort in buildings.</p> <p><b>Roofing materials:</b> Including asphalt shingles, metal panels, clay tiles, and concrete tiles to protect buildings from the elements.</p> <p><b>Composite materials:</b> Such as fiber-reinforced polymers (FRP) and composite panels are used for specialized applications requiring high strength-to-weight ratios.</p>
<p>TRASFER OF SKILLS.</p>	<p><b>Market Knowledge:</b> Understanding local real estate market trends, property values, zoning regulations, and other factors that can impact real estate transactions.</p> <p><b>Negotiation Skills:</b> Ability to negotiate effectively with buyers, sellers, agents, and other parties involved in real estate transactions to achieve favorable outcomes.</p>

	<p><b>Communication Skills:</b> Strong communication skills are crucial for building relationships, marketing properties, and closing deals in the real estate industry.</p> <p><b>Financial Acumen:</b> Knowledge of real estate finance, including mortgage options, interest rates, property valuation, and investment analysis.</p> <p><b>Marketing and Sales Skills:</b> Ability to market properties effectively, attract potential buyers or tenants, and close sales or lease agreements.</p> <p><b>Networking Skills:</b> Building a strong network of contacts in the real estate industry, including other agents, brokers, lenders, contractors, and potential clients.</p> <p><b>Customer Service Skills:</b> Providing excellent customer service to clients, addressing their needs and concerns, and building trust and rapport.</p> <p><b>Problem-Solving Skills:</b> Ability to identify and address challenges that may arise during real estate transactions, such as legal issues, financing problems, or property defects.</p> <p><b>Organization and Time Management:</b> Managing multiple properties, clients, and transactions requires strong organizational skills and the ability to prioritize tasks effectively.</p> <p><b>Legal Knowledge:</b> Understanding real estate laws, regulations, contracts, and disclosure requirements to ensure compliance and protect clients' interests.</p>
--	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

## 10.0 FINANCIAL ANALYSIS.

This section covers project financing and financial projections. Project financing includes source of funding and financing of items in the project. Financial projections on other hand, covers sales projections, income projections, projected retained earnings and projected cash flow.

### 10.1. PROJECT FINANCING.

#### 10.1.1. Sources of funding.

The project will be financed by the foreign equity (50%) amounting to **USD 727,707** and by loan (50%) amounting to **USD 242,569**

Table; Project Financing.

Details	Amount (USD)	Percentage
<b>Local</b>		
Equity		00.0%
Loan	242,569	25%
<b>Sub-total</b>	242,569	25%
<b>Foreign</b>		
Equity	727,707	75%
L		
Sub-total	727,707	75%
<b>GRAND TOTAL</b>	970,276	
Total Equity	727,707	75%
Total Loan	242,569	25%

#### 10.1.2. Financial Project Items

The invested capital of **USD 970276** will cover various item in the project include land and buildings, vehicles and other items as shown on table 6 below.

Table 6: Financing of Items.

ITEMS	FINANCING IN USD
-------	------------------

Land & Buildings	705,000
Plant	
Vehicles	105,276
Furniture & Fittings	60,000
Pre Expenses	35,000
Others	15,000
Working Capital	50,000
TOTAL	97,0276
FIXED CAPITAL	50,000

**10.1.3 Financial Projections**

**10.1.3.1 Sales Projections.**

The company has projections of steadily growing sales over the first five years of the operations of the project. From year 1 to year 5 the company expect to attain sales amounting to USD 3,270,000: 3,852,288: 4,656,808, 5,186,078 and 5,849,557 respectively. The costs of the sales are projected to be USD 156,000: 198,016: 360,145:502,393 and 644,767 for the first five years of the project.

The Table below gives the details, including those of the projected gross profit for the first five years.

**Table: Gross profit Projection.**

Years	Y1	Y2	Y3	Y4	Y5
Sales	3,270,000	3,852,288	4,656,808	5,186,078	5,849,557
Cost of Sales	156,000	198,016	360,145	502,393	644,767
Gross Profit	3,114,000	3,654,272	4,296,663	4,683,685	5,204,790

The project promises to yield gross profit throughout the first five years of operation. In year 1 the profit is expected to be the lowest as it is the year of investment - even in promotion campaigns- which implies much spending while the brand is relatively respected new in the market and thus sales are picking up.

### 10.1.3.2. Income Projection.

Through the first five years the project is expected to be making profits. The projected profits are as shown on Table 8 for the first respectively years.

Years	Y1	Y2	Y3	Y4	Y5
Total	3,270,00	3,852,288	4,656,808	5,186,078	5,849,557
Less :Cost of sales	156,000	198,016	360,145	502,393	644,767
Gross Profit	3,114,000	3,654,272	4,296,663	4,683,685	5,204,790
Less operating expenses	170,300	155,046	186,176	197,762	226,051
EBIT	2,943,700	3,499,226	4,110,487	2,485,924	4,978,739
Less; Loan Interest	2,859,600	3,414,126	4,026,387	4,401,824	4,894,639
Less; taxes (30%)	857,880	1,024,538	1,207,916	1,320,547	1,468,392
Net Profit(Loss)	2,001,720	2,390,588	2,818,471	3,081,277	3,426,247
Dividend (20%)	400,344	478,188	563,694	616,255	685,249
<b>Retained Earnings</b>	1,601,376	1,912,471	2,254,777	2,465,021	2,740,998

### 10.1.3.3 Projected Cash flow.

Project is a promising venture as projections show a positive cash flow as shown on table 9. This is a muscle giving the company an edge in the market as cash flow implies liquidity which gives help the project to operate smoothly.

Years	Y1	Y2	Y3	Y4	Y5
Cash from Operation					

Profit before Tax	2,859,600	3,415,126	4,026,387	4,401,824	4,894,639
<b>Adjustment for Non-Cash item</b>					
<b>Change in working capital</b>					
Receivable(-ve)	-450,000	-450,000	-465,000	-380,000	-395,000
Trade payables and accruals	5,000	3,500	3,600	5,8000	2,500
Capital Additions	585,000	435,000	250,000	-	-
Total	140,000	-11,500	-211,400	-374,200	-392,500
Tax payments	857,880	1,024,538	1,207,916	1,320,547	1,468,392
Total cash flow from operating activities.	997,880	1,013,038	996,516	946,347	1,075,892
Cash from Investing Activities	355,600	355,600	355,600	355,600	355,600
Land rent and development of property	-	-	-	-	-
Net cash flow Investing activities	642,280	657,438	640,916	590,747	720,292
Cash flow from financing activities					
Dividends	400,344	478,118	563,694	616,255	685,249
Change in cash and cash equivalent	241,936	179,320	77,222	-25,508	35,042
Opening cash balance	12,000	8,000	10,500	6,500	7,500
Closing cash balance	8,000	10,500	6,500	7,500	6,800

#### 10.1.4 NPV Analysis

The project has a positive NPV. This implies that it will be a success, basing on the projections made for it has shown on table below.

Years	Y1	Y2	Y3	Y4	Y5
Change in cash and cash equivalent	241,936	176,320	777,222	-25,508	35,042
Discount Rate	0.021	0.021	0.021	0.021	0.021
Overall NVP	236,960				489,644

### 11.0 PROJECT IMPLEMENTATION SCHEDULE AND FUTURE EVENTS.

AT RISK	TASK NAME	ASSIGNED TO	START DATE	END DATE
01.	Registrations	DIRECTORS	July, 2024	August, 2024
02.	Marketing Analysis	DIRECTORS & MANAGERS	August, 2024	September, 2024
03.	Land acquisition	DIRECTORS AND LEGAL TEAM	September, 2024	October, 2024
04.	Site Development Phase 1	DIRECTORS AND CONTRACTORS.	November, 2024	March, 2025
05.	Site Development Phase 2	DIRECTORS AND CONTRACTORS.	March, 2025	October, 2025

## **12.0. PROJECT RATIONALE.**

This project rationale can be viewed in momentary, fiscal and social aspects. From the financial analysis conducted this project is promise of success in the Tanzanian economy. Monetary it will create income for supplier SMEs, fiscally it will pay taxes (both Income Tax and VAT on sales) and socially it will contribute to social development as detailed under subsequent items.

## **13.0. CONCLUSION.**

Our real estate business plan outlines a comprehensive strategy for success in the competitive real estate market. By leveraging our unique value proposition, focusing on customer satisfaction, and implementing innovative marketing techniques, we are poised to capitalize on the growing demand for quality properties in our target market. With a dedicated team, sound financial projections, and a commitment to excellence, we are confident in our ability to achieve our business objectives and establish a strong presence in the industry. We look forward to the opportunities that lie ahead and are excited to embark on this journey towards sustainable growth and profitability in the real estate sector.