

ARBAB INVESTMENTS LIMITED

PRE-FEASIBILITY STUDY REPORT ON:

INVESTMENT IN COMMERCIAL AND BUILDING REAL ESTATE PROJECT

Presented To:
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Strategic Pre-feasibility Report

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This profile is strictly for information only and projections in the pre –feasibility study report have been compiled by the consultant with close cooperation of the Promoters of the Business the **ARBAB INVESTMENTS LIMITED** and Sector Experts for illustrative purposes and do not constitute actual forecasts.

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1.0 EXECUTIVE SUMMARY

1.1 Introduction

This Business Plan is designed for investment of a real estate project for Arbab investments Limited. Strategies are laid out on this business plan which will be used for investment purposes in the course of real estate Company's operations.

1.2 Company Description

ARBAB INVESTMENTS LIMITED is a Limited company registered under the Companies Act. The Company was incorporated 13th August, 2024, and bears Certificate of Incorporation No. **177086576**. Arbab Investments Limited has its registered office in Ada Estates, Kinondoni Municipality-Dar es salaam, Tanzania. Our company goals and objectives seek to ensure we generate an income that benefits both Nationals and non-Nationals so that we strengthen the economic status of the society. The company believes in customers, suppliers, and investors therefore it struggles to create good Rapport with both parties.

1.3 Business Description

Arbab investments limited is limited Company incorporated in Tanzania under the Company Act. The Company was incorporated 13th August,2024, and bears Certificate of Incorporation No. **177086576**.The Company will be responsible among things for investing in a real estate project.

1.4 Legal Status

Legal certificates and documents such as Memorandum and Article of Association, certificate of incorporation, business license, Tax Identification Number, and value added Tax certificates justify that Arab Investments Limited is operating within the ambit of the law of Tanzania land.

1.5 Project Promoters

1.5.1 The project promoter,

The project will be managed and operated by **ARBAB INVESTMENTS LIMITED**.

NAMEOF SHAREHOLDERS	NATIONALITY	SHARE PERCENTAGE
1. DIN MUHAMMAD	PAKISTAN	4100
2. HUSNAIN ZAFAR	PAKISTAN	300
3. SAJJAD HUSSAIN	PAKISTAN	300
4. ALI AKBAR	PAKISTAN	300

1.6 Operations

The project will be managed and operated by **ARBAB INVESTMENTS LIMITED** The Company will run its activities in a more professional way and it seeks to satisfy its customers by meeting customer expectations. Although the company will use an automated system, people will also be used to manage the operations.

1.7 Project Location

The project shall be located

1.8 Services

Arbab investments Limited will focus on superior service for its clients. It has a full-time assistant who, among other things, will manage the company website and listings, advertise listings elsewhere, and answering basic client questions.

Arbab investments limited include listing rentals for tenants and yards by serving renters or tenants, Arbab Investments limited hope to become a long-term partner with each client/ tenant rather than part of a one-time transaction.

1.9 Industry Overview

Housing in Tanzania is dominated by individual home-builders who account for over 70% of the total supply. The rest is catered for by the public sector through local governments, the National Housing Corporation (NHC), the Tanzania Building Agency (TBA), the Watumishi Housing Company (WHC), and pension funds such as National Social Security Fund (NSSF), and by residential private developers. Tanzania’s housing demand (affordable housing) is estimated at 200,000 housing units per annum with an existing housing deficit of 3,000,000 housing units. In

2018, there were 12.3 million households in Tanzania, of which 8.2 million (67%) were rural and 4.2 million (33%) were urban.

Tanzania has relatively young real estate sector, with large-scale commercial development only taking off in the 1990s. While public sector actors historically handled the largest projects in the country, private sector players are now playing an increasingly important role in developing residential, office and commercial space. However, the industry in mainland Tanzania is growing more slowly than the economy overall, with its contribution to GDP declining steadily in the past 10 years, from 6.1% in 2006 to 3.2% in 2015. Cost sensitivity remains a significant concern, not only directly in terms of house sales, but also indirectly in terms of demand for formal retail and commercial space, since approximately three-quarters of the population live on \$2 or less per day. As a result, the country will most likely have to depend on government intervention and innovative financing to help address demand at the lower end of the real estate market, while higher-end residential and commercial spaces are left in the hands of private sector developers.

Housing demand is increasing by about 200,000 units annually, with the current housing deficit estimated at about 3 million units, according to Tanzania Ministry of Lands, Housing and Human Settlements Development.

“The Tanzanian housing sector’s fast-growing demand is mainly driven by the strong and sustained economic growth with GDP growth averaging 6-7% over the past decade, the fast-growing Tanzanian population which is estimated to be 55 million and is expected to more than double in 2050 and efforts by the government in partnership with global non-profit institutions and foreign governments to meet the growing demand of affordable housing,” said the Bank of Tanzania, the country’s central bank.

Non-citizens may only acquire land (leasehold) for investment purposes, subject to the approval of the Tanzania Investment Center (TIC) for Tanzania mainland. All land in Tanzania is owned by the state, and can only be leased to individuals for five to 99 years.

1.10 Financial Overview

The need for USD 2, 870,000 of funds essential for Arbab Investments Limited to start operating. There are also certain expenses which may not be included at the startup funds being accumulated

but incurred in the course of the real estate Company's business operations. To be able to see a glimpse of how Arbab investments Limited financial assumptions are presented to create the financial statement projections which will provide a glimpse of the financial performance of Arbab investments Limited for the set period.

1.11 Organization Mission

Is to modernize and progress the experience of rental real estate by cultivating a spirit of collaboration, innovation, and integrity.

Fostering a culture of partnership in which all clients and listings are represented in a cooperative environment, thereby ensuring its clients and listings have the competitive edge.

Leveraging the most emergent technologies and social media strategies, The Company envisions itself as more than just a commercial and building real estate; it is a lifestyle company committed to informing and connecting global communities.

1.12 Vision Statement

To be a real estate franchise that provides an excellent and consistent customer experience at all times. By basing every decision on what is best for the Client and the Company as a whole

1.13 Goals and Objectives

1. To employ capitals, experience, knowledge, technology, standards, and most recent practices in developing better returns for the company and its projects' stake holders
2. To provide a variety of real estate units that will satisfy most consumers' needs, abilities, and expectations.
3. To keep providing the better possible quality of units those suit the local and international standards in the field.
4. Become a profitable organization allowing us the freedom of taking advantage of other real estate investment opportunities as they become available.
5. Develop a solid, corporate identity in our specified targeted market area.

6. To establish good working relationships and begin working as a team, promoting communication and suggestions from all participants.

2.0 COMPANY OVERVIEW

2.1 Ownership

ARBAB INVESTMENTS LIMITED located at House No 86, Block No. C, Plot No.85, Ali Hassan Mwinyi Road, Ada Estate, Kinondoni Ward, Kinondoni District, Dar es salaam.

2.2 Start-up Summary

The purposes of investing in real estate are numerous. With well-chosen assets, investors can enjoy predictable cash flow, excellent returns, tax advantages, and diversification and it's possible to leverage real estate to build wealth. Real estate investors make money through rental income, appreciation, and profits generated by business activities that depend on the property. The benefits of investing in real estate include passive income, stable cash flow, tax advantages, diversification, and leverage. Real estate investment trusts offer a way to invest in real estate without having to own, operate, or finance properties

3.0 REAL ESTATE SERVICES

ARBAB INVESTMENTS LIMITED will focus on superior service for its clients particularly tenants. It has a full-time assistant who, among other things, will manage the company website and listings, and advertise listings.

ARBAB INVESTMENTS LIMITED services include listing rentals for tenants. By serving renters.

- **Listing Services:** As Arbab investments Limited will promote its client's properties in local newspapers, magazines, and even television when appropriate, offering great visibility for the properties it lists.
- **Rentals:** For a standard one-month fee, As Arbab investments limited will provide rental space meeting their specifications as closely as possible, choosing from listings.

As **Arbab investments Limited** understands, the key to a successful real estate business is building referrals and a long-term reputation as a trustworthy agent in the community.

7.2 MARKET STRATEGY

Arbab investments Limited will use several strategies to promote its name and develop its brand. By using an integrated marketing strategy, **Arbab investments limited** will win clients and develop consistent revenue streams.

7.2 Arbab investments limited Brand

Arbab investments Limited brand will focus on the Company's unique value proposition:

- Client-focused commercial and building real estate rental services, where the Company's interests are aligned with the customer/ tenant.

4.2 Promotions Strategy

4.2.1 Targeted Cold Calls

Arbab investments limited will initially invest significant time and energy into contacting potential clients via telephone. In order to improve the effectiveness of this phase of the marketing strategy, a highly-focused call list will be used, targeting tenants/ rentals. As this is a very time-consuming process, it will primarily be used during the startup phase to build an initial client base.

7.2.2 Referrals

Arbab investments Limited understand that the best promotion comes from satisfied customers. The Company will encourage its clients to refer other businesses by providing economic or financial incentives for every new client produced. This strategy will increase in effectiveness after the business has already been established.

7.2.2 Publications

Arbab investments limited will list its properties for rent in key local publications, including newspapers, area magazines, and its own newsletter. Additionally, the Company will print brochures and place them in specific locations frequented by target individuals.

7.2 Pricing Strategy

Arbab investments Limited pricing will rely on the standard industry rates in order to neither be perceived as a luxury nor a discount at 3%. Rentals will have fees paid only by the tenants at the standard rate of one month's rent. Arbab investments Limited will fend off pressure to discount their rates, even in down markets.

4.4 Customer Analysis

4.4.1 Demographic Profile of Target Market

Arbab investments Limited will serve the residents and businesses operating in Dar es salaam and other major cities in the United Republic of Tanzania.

The area we serve is affluent and has the disposable income/profits required to demand off-premises catering services.

7.2.2 Customer Segmentation

The Company will primarily target the following customer segments:

- **Renters:** Renters in this community are either in a temporary situation where it makes more financial sense to rent than to purchase, or are attempting to save towards a purchase in the area. A small portion of this group is made up of life-long renters who never purchase a home. The renter group tends to be younger than the average home buyer, with an average age of 25. Renters change apartments at a faster rate than owners, causing a higher number of new rental closings per year even in communities with more homeowners.

4.5 Competitive Analysis

4.5.1 Direct and Indirect Competitors

Those commercial real estates which are located within a 20-mile radius of places that we are going to set our businesses, thus providing either direct or indirect competition for customers.

7.2.2 Competitive Advantage

Arbab investments Limited enjoy several advantages over its competitors. These advantages include:

- **Location:** Most of our projects will be located near the center of town, in major cities Municipality. They will be visible from the street where many residents' shops for both day-to-day and luxury items.
- **Client-oriented service:** Arbab investments limited will have a full-time assistant to keep in contact with clients and answer their everyday questions, realizes the importance of accessibility to his clients.

5.0 OPERATIONAL PLAN

Arbab investments Limited will carry out its day-to-day operations primarily on an appointment basis. Buying and renting clients will make appointments to view available properties and to discuss their needs. Selling clients and landlords will make appointments to discuss the needs of their sales and properties when needed. These will primarily occur on-site at the properties, although some discussions may be held in the office's meeting room. When necessary, discussions can be conducted over the telephone.

5.1 Milestones

Arbab investments Limited long-term goal is to become the number one name in commercial and building real estate in terms of the right balance of price and customer service quality. We seek to do this by ensuring customer satisfaction and developing a loyal and trusting clientele.

5.2 Job Creation

Commercial real estate development is vital to every economy, supporting construction, architectural planning, engineering, and legal services such as obtaining the required permits, among many other business sectors. However, the actual development period only considers the one-time, short-term construction phase.

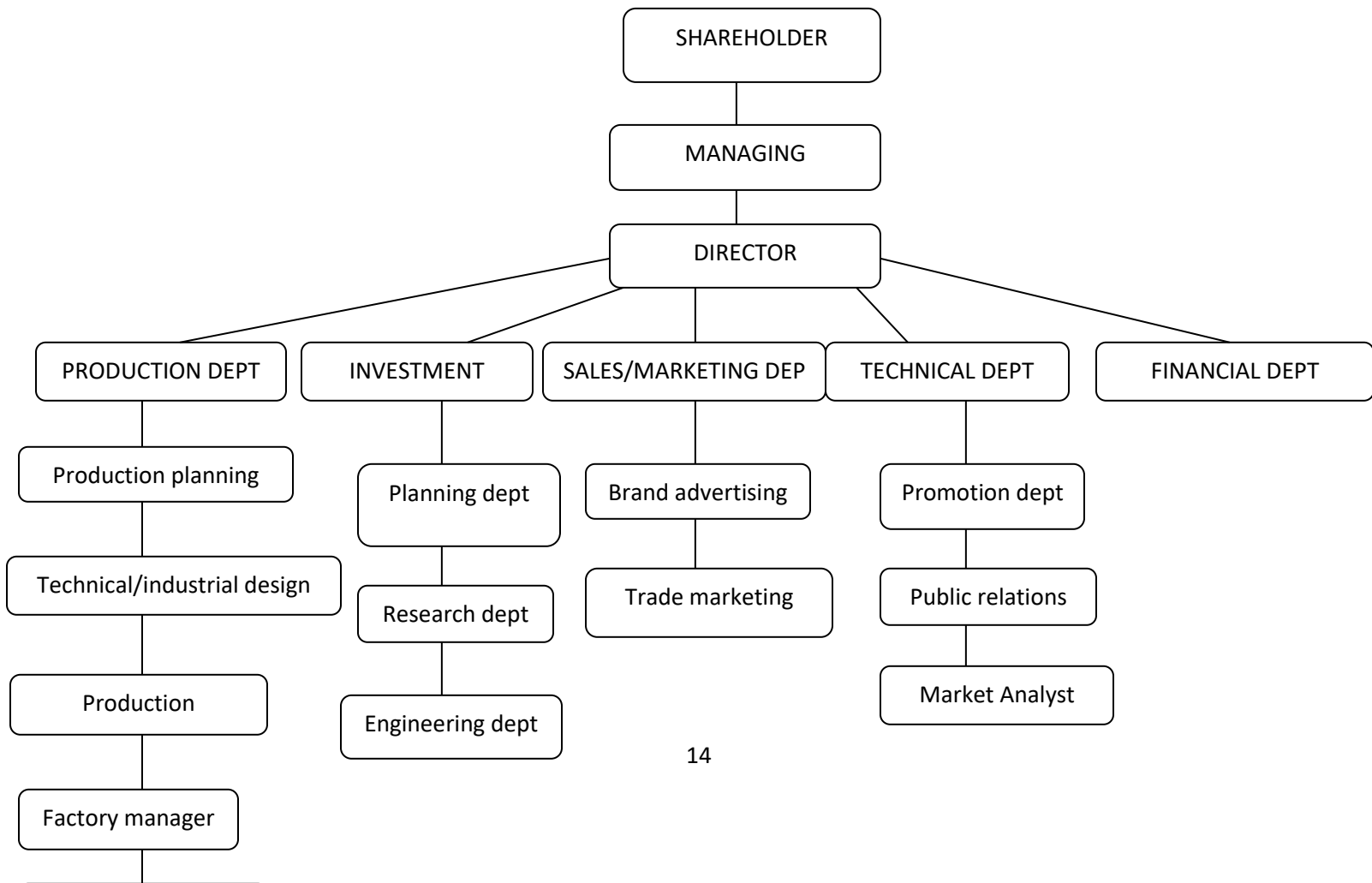
The magnitude and duration of economic impact in the construction phase are less than during the business operations phase nearly 170 jobs are supported in the construction phase for a relatively short time period. However, during the building operations phase, employment is greater and more sustainable.

With some technical skill, commercial real estate professionals can use these multipliers to quantify both the short- and long-term impacts of specific developments

Industry multipliers must be selected for each phase. The construction phase always should be based on construction industry multipliers. The business operations phase should be based on industry multipliers most closely matching the type of business occupying the property.

6.0 ORGANIZATION AND MANAGEMENT PLAN

6.1 Organizational Structure



7.2 Management Strategy

Arbab investments Limited real estate project is expected to be expensive and of high visibility undertakings with many stakeholders. The Company will oversee its own real estate project and tackle real estate project across a network of buildings to cultivate systems for managing the project for the following reasons:

7.2 Budget Management

The Project manager will hire and manage multiple contractors, watch cost increases due to change orders, budget for materials, pay vendors, use financing properly, and follow dozens of protocols to keep a project at or under budget.

7.2 Time Management

The Project manager will also keep track of time. Not ordering supplies on time, failing to coordinate among contractors, or forgetting to pull a permit that takes several weeks can slow a project down. In turn, this can add to a project's or project client's costs – even costs not directly tied to the project itself.

7.2 Risk Management

All projects risk going over budget or taking longer than expected. They will also expose the Company to risk. The Project manager will be tasked with reducing risk by hiring only properly licensed or bonded professionals, securing adequate project insurance, designing and managing contracts that clarify all parties' responsibilities, and other tasks designed to avoid litigation or other expenses.

7.2 Summary of Expected Results

- Provide an opportunity for both residential and commercial rentals to people around the community.

- Increase the number of direct and indirect employment opportunities.
- Increase tax contributed to the government
- Generate foreign currency.

7.2 Social and Economic Impact of the Project

- Real estate is one of the few assets that react proportionately to inflation. As inflation goes up, housing values and rents go up. Though real estate in general is a good hedge against inflation, rental properties that are re-leased every year are especially effective, since monthly rents can be adjusted upward in inflationary periods. For this reason alone, therefore, real estate is one of the best ways to hedge an investment portfolio against inflation.
- Real estate market is full of inefficiencies. There is a lack of transparency relating to individual property values and also the strength of different markets, which means that real estate investments have the potential for very high profits.
- Real estate investing involves taking on a great deal of financial and legal liability.
- All the disadvantages mentioned above add to the liability a real estate investor takes on when purchasing, financing, rehabbing, leasing, managing, and maintaining a property. Even though investment properties may be in a corporation, there are often personal guarantees associated with the business, and the risk of losing the income and profits generated by the company

6.9 Drivers to Investment in Real Estate

6.9.1 Navigating new tenant expectations and tools for engagement

The occupant experience has been emerging as a major industry focus and highlighting the importance of blending sustainability, intelligence, and experience. It is worth noting that 90% of the costs associated with running a building come from employee salaries and benefits. Just 10% is attributed to the building's operating costs, including energy, maintenance, and mortgage/rent, among other things.

Worker health and productivity are emerging as strategic priorities among corporate real estate leaders, and the industry continues to innovate on space design and the resulting impacts of how

people interact with each other. Health design trends include integrating amenities and features such as access to daylight, quality of lighting, acoustics, ventilation, and thermal comfort into typical building designs.

7.2.2 Inflation Hedge

An advantage of commercial real estate is that it can offset the long-term impact of inflation. A major factor is the fact that property rents can be adjusted with inflation, which is often the result of strong economic growth.

7.0 FINANCIAL PLAN

The company expect to invest 2,870,000 USD from shareholders' funds and Loan from the Banks. Profits generated from business operation will be re-invested. There shall be a loan from commercial banks as the investor has set aside 50% of USD 1, 750,000 USD for the investment in phase one up to phase 3 and the rest 50% shall be financed by Project promoters' equity. Table below show the assumptions how the investment financing plan will look like.

7.1 TABLE 1: FINANCING

<i>Financing</i>	\$
Long-term liabilities	
Long-term loan	1,750,000
Owner's equity	
Cash	760,000
Contributed asset value	360,000
Total	2,870,000

7.2 TABLE 2: INVESTMENT COST PLAN

<i>COST INVESTMENT STRUCTURE</i>	\$
Current assets	
Working capital	100,000
Plant	-
Property and equipment	
Land	2,500,000
Furniture and fixtures	120,000
Other	-
Pre Expenses	75,000
Motor Vehicles	75,000
<i>Total assets</i>	2,870,000