

BUSINESS PLAN FOR CONSTRUCTION AND SALE OF APARTMENTS



CANNAN REAL ESTATE LIMITED
P.O.BOX 16327, KINONDONI, DAR ES SALAAM

2025

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**CANNAN REAL ESTATE LIMITED
P.O.BOX 16327, KINONDONI,
DAR ES SALAAM, TANZANIA**

May, 2025

CERTIFICATION STATEMENT

On behalf of **CANNAN REAL ESTATE LIMITED**, hereby I certify that the attached business plan for **CONSTRUCTION AND SALE OF APARTMENTS** Project, is true and accurate representation of our business objectives, strategies and financial projections. I affirm that the information presented in this business plan is based on careful research, analysis and our best knowledge at the time of its creation.

I further certify that this business plan has been prepared in accordance with ethical guidelines and industry best practices. The financial projections included in this plan are based on research and reasonable assumptions which reflect our diligent efforts to assess market condition, competition and potential risks.

With confidence I acknowledge that the success of our business ultimately depends on various factors, including market dynamics, regulatory changes and unforeseen circumstances. I understand that the actual results achieved may differ from the projections outlined in this plan due to those factors.

I hereby affix my signature and the date below, certifying the authenticity and accuracy of this business plan based on my knowledge

Signature.....

Name.....

Date.....

Stamp.....

ACRONYMS

USD:	United States Dollar
TIC:	Tanzania Investment Centre
GDP:	Gross Domestic Product
OTC:	Over the counter
US:	United States
IRR:	Internal Rate of Return
ROI:	Return on Investment
TPA	Tanzania Port Authority
CBD:	Central Business District
CAHF	Centre for Affordable Housing Finance
AI	Artificial Intelligence
NHC	National Housing Company
HMFF	Housing Microfinance Fund
HFP	Housing Finance Project
TMRC	Tanzania Mortgage Refinance Company

MEASUREMENTS

1 ounce=	28.35 grams
1kilogram=	1000 grams
1 ton=	1000 kilograms

CURRENCY EXCHANGE

1 USD=	TZS 2671.8416
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(Based on 11 May 2025, BOT Exchange Rates)

TABLES AND FIGURES

TABLES

Tables	Page no.
Table of Contents	3
Total Project Investment Costs	17
Project Financing plan	19
Implementation Plan	19
Summary of Cost Presentation and Analysis	19
Projected Income Statement	20
Projected Cash flow Statement	21
Projected Balance Sheet	22

FIGURES

Figure	Page no.
Figure 1: Map of Msasani Peninsula, Kinondoni, Dar Es Salaam	08

TABLE OF CONTENTS

CERTIFICATION STATEMENT	2
EXECUTIVE SUMMARY	6
CHAPTER ONE.....	7
COMPANY DETAILS	7
CHAPTER TWO	8
PROJECT LOCATION	8
CHAPTER THREE.....	9
PROJECT OBJECTIVES	9
CHAPTER FOUR	10
REAL ESTATE INDUSTRY ANALYSIS.....	10
CHAPTER FIVE	13
MARKET ANALYSIS	13
5.1 Market overview.....	13
5.2: Market Drivers	13
CHAPTER SIX	15
PROJECT DESCRIPTION.....	15
6.1 Project Overview	15
6.2 Number of Properties.....	15
6.3 Employment creation.....	15
6.4 Technology and Skills Transfer	15
6.5 SWOT Analysis.....	16
CHAPTER SEVEN.....	17
PROJECT FINANCIALS	17
7.1 Project Costing.....	17
Total Project Investment Costs	17
7.2: Project Financing Plan.....	19
7.3: Implementation Plan.....	19
7.4 Summary of Cost presentation and financial analysis.....	19
7.5: Financials	20

EXECUTIVE SUMMARY

The **CANNAN REAL ESTATE LIMITED** would be involved in construction of residential and commercial apartments for sale at MSASANI PENINSULA, Kinondoni, Dar Es Salaam (Plot no. 899). The project will be a 10th floor building with at least 35 apartments. The company decision to undertake this project is due to high demand of residential and commercial buildings in Dar Es Es Salaam particularly in Kinondoni Municipal. The area has high population of businesses, wealthy people and expatriate community which have demands of housing spaces for living and businesses.

Dar es Salaam is aslo Tanzania's economic heartbeat, and report shows that Dar es Salaam is set to grow by over 80% by 2035, making it one of Africa's fastest-growing cities. This growth has businesses clamoring for space. Retail hubs, office buildings, and industrial developments are booming because they cater to regional trade, local enterprise, and foreign investment.

The company plans to construct mixed use properties. Unlike single use properties, mixed use properties offer developers faster returns through sale, leasing and rental income as it gives them wide chance to get customers. The company is targeting mixed use real estate development as it knows that it can count on strong demand, especially in growing areas like the central business district and attractive living area in Dar Es Salaam which Msasani Peninsula is one of most attractive area in the city.

Another advantage on real estate industry in Dar Es Salaam, is that government's focus on large-scale infrastructure, such as the Dar es Salaam port expansion and upgraded road networks and railways, is drawing businesses to the city. These improvements make it easier to trade and commute, creating hotspots for commercial development in Dar es Salaam, therefore increasing demand for house spaces

Results of financial analysis of this project indicate that the project, will be a profitable financial investment. The results of this financial analysis indicate that the project is capable of generating following results;

Summary of financial analysis

Fixed Cost	USD 2,809,000
Working Capital	
Total Investment	USD 2,809,000
IRR	55.43%
Investment gain in 5years	5,886,000
Return On Investment	209.54%
Annualized ROI	25.36%
Payback Period	1.605 YEARS
Discounted Payback period at 18%	2.060 YEARS
Cash Flow Return Rate	55.43%

Total project outlay is estimated at **USD 2,809,000/=** (whole project cost) and will be financed by the company shareholders , friends, other developers and through pre-selling.

CHAPTER ONE

COMPANY DETAILS

1.1: Legal Formation

The CANNAN REAL ESTATE LIMITED was incorporated on 28/12/2023 with registration number **171050731** as a private company limited by shares. The company registered office is located in Dar Es Salaam, Kinondoni District, Ada Estate STREET, Plot no.45, Block no, C. House no. 45

2.2: Objectives of the Company

The CANNAN REAL ESTATE LIMITED was established for the following main objectives;

- i. To conduct real estate activities with own or leased property
- ii. Construction of buildings (commercial and residential)
- iii. To conduct Building completion and finishing activities

2.3. Authorized Shared Capital

The **CANNAN REAL ESTATE LIMITED** has been ventured by **QI YU** and **GUANGNA SONG** shareholders, whom are also the first directors of the company, each owning 15% of the outstanding share with market value (Market capitalization) of Tanzanian shillings 50,000,000. The company is planning to increase its capital to achieve its objectives.

2.3 Ownership/Directors/Shareholders/ Shareholdings

The **CANNAN REAL ESTATE LIMITED** is owned by **QI YU** who is a Chinese by nationality owning 15% of the total outstanding shares of the company with market capitalization of Tanzania shillings 50,000,000 with 150 numbers of shareholdings valued at Tanzania shillings 50,000 per share. Another owner is **QUANGNA SONG** who is also a Chinese by nationality owning 15% of the total outstanding shares of the company with market capitalization of Tanzania shillings 50,000,000 with 150 numbers of shareholdings valued at Tanzania shillings 50,000per share. Both owners the first directors of the company.

2.4 Project Investment

The invested fund for purchasing a plot are 50% owned by shareholders and 50% will borrowed from friends. The project cost is USD 2.8 million and the fund will be from shareholders, pre-selling and partnerships with other developers

2.5: Contacts of the Company

The company can be contacted through:

CANNAN REAL ESTATE LIMITED: Physical address: Ada Estate STREET, Plot no.45, Block no, C. House no. 45, P.O.BOX 16327, KINONDONI, DAR ES SALAAM, TANZANIA: Email: Mobile: Telephone:Website:

CHAPTER TWO

PROJECT LOCATION

The proposed location for the project is MSASANI PENINSULA Kinondoni, Dar Es Salaam Plot no. 899. Msasani Peninsula is located just a few kilometres north of the city centre,. Jutting into the Indian Ocean, leafy Msasani Peninsula is home to upscale resort hotels with waterfront pools and gardens. Dining choices range from steakhouses to pizzerias, while al fresco bars play relaxed music. This makes Msasani Peninsula area popular choice for diplomats and embassy staff, ex-pats and businesses

Generally Dar es Salaam is Tanzania's economic heartbeat, and report shows that Dar es Salaam is set to grow by over 80% by 2035, making it one of Africa's fastest-growing cities. This growth has businesses clamoring for space. Retail hubs, office buildings, and industrial developments are booming because they cater to regional trade, local enterprise, and foreign investment.

The government's focus on large-scale infrastructure, such as the Dar es Salaam port expansion and upgraded road networks and railways, is drawing businesses to the city.. These improvements make it easier to trade and commute, creating hotspots for commercial development in Dar es Salaam.

According to the Centre for Affordable Housing Finance in Africa (CAHF) report the cost of building a basic mortgageable house in Tanzania is cheap (USD 60,689) compared to USD 65,300 in Kenya, Although the construction costs (materials and labor) are higher than in other countries such as USD 40,199 in South Africa, USD 52,103 in Nigeria, and USD 58,596 in Uganda, the real estate market in Dar Es Salaam still offer good prices particularly for luxury apartments. Most of the clientele interested in these buildings live in the Kinondoni and the city center. Areas such as Msasani Peninsula, Kawe and Mbezi by the sea, where prices are constantly increasing. The tastes of wealthy Tanzanians are evolving more and more, now, for example, luxury apartment with swimming pools and integrated home automation are becoming fashionable

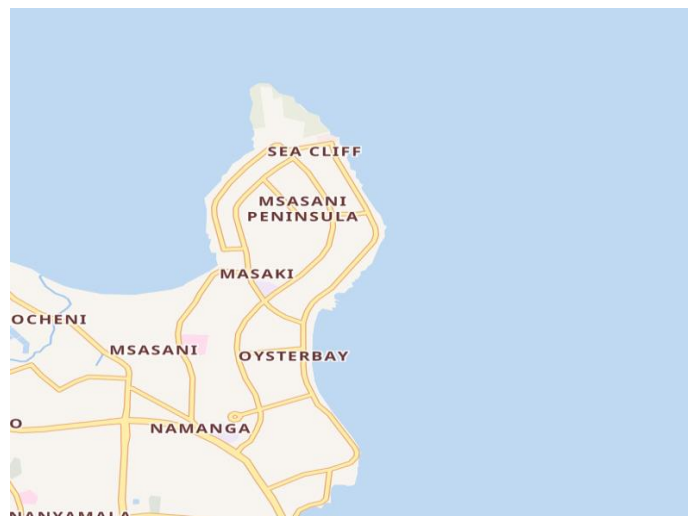


Figure no. 1: Map of Msasani Peninsula, Kinondoni, Dar Es Salaam

CHAPTER THREE

PROJECT OBJECTIVES

The CANNAN REAL ESTATE LIMITED will be involved in construction and sale of residential and commercial apartments for sale in Kinondoni, Dar Es Salaam (Plot no. 899). The project will be a 10th floor building with at least 35 apartments. The objectives of establishment of this project are as follows,

i. Business Growth Support

The company objective is to provide the physical spaces where businesses operate, including offices, retail stores, and service-oriented business. The company understands that Real estate plays a crucial role in supporting business development by providing the physical infrastructure and space needed for businesses to operate. Real estate provides opportunities for businesses to grow through property investment and development, creating revenue streams and increasing company value. Furthermore, successful business development often hinges on strategic real estate choices that enhance accessibility, brand image, and overall business performance

ii. Income Generation

The company conducted a feasibility study and found that Mixed-use projects, combining retail, office, and housing spaces, are emerging as a solution that offer developers faster returns through selling, leasing and rental income. The company is targeting mixed-use real estate development as it knows it can count on strong demand, especially in growing areas like the central business district and emerging luxury residential estates which are sold at good prices.

iii. Contribution to Development of Real Estate in Dar Es Salaam

One of the core objective of the company is to contribute to developing of real estate industry in Dar Es Salaam. Report shows that Dar es Salaam is set to grow by over 80% by 2035, making it one of Africa's fastest-growing cities. This growth has businesses clamoring for space. Retail hubs, office buildings, and industrial developments are booming because they cater to regional trade, local enterprise, and foreign investment. Housing demand is increasing by about 200,000 units annually, with the current housing deficit estimated at about 3 million units

iv. Creation of Employment

The company aims to creation of employment in Tanzania. The company project will directly contribute to employment by creating jobs for workers on site, supporting professionals like engineers and contractors, and stimulating the local economy through the supply chain of building materials. The labor-intensive nature of construction activities provides opportunities for various skills, including those with little formal education or experience.

CHAPTER FOUR

REAL ESTATE INDUSTRY ANALYSIS

4.1: Real Estate Growth

Tanzania has recently witnessed growth in the construction industry. This includes both private projects such as residential and commercial real estate. The Tanzanian commercial real estate industry is experiencing a steady rise, driven by urbanization, industrialization, and infrastructure development. From bustling cities like Dar es Salaam to emerging hubs like Arusha and Mwanza, the demand for commercial properties is growing across various sectors such as retail, office spaces, and industrial properties.

In 2022, the real estate sector in Tanzania contributed 2.7% to the country's GDP. This is the same percentage as in 2021. In 2019, real estate's contribution to GDP was 3.1%, with a value of USD 1.5 billion. The sector has seen growth, with real estate activity increasing by 4.4% in 2022 compared to 4.5% in 2021. The large residential housing market is dominated by individual homebuilders who account for over 70% of the total supply.

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. Commercial real estate is also on the rise as the country emerges as a middle-income economy. The Tanzanian government provides some public rental or social housing. However, the publicly-led delivery approach is rapidly being overtaken by commercial housing markets. This in turn is resulting in growth in the number and sophistication of housing intermediaries in the sector. Developers, contractors, housing financiers, and housing market service providers and intermediaries are increasingly common. Pension funds increasingly invest in housing and complete around 1,000 units per year in total. Co-operatives are estimated to also deliver about 1,000 units per annum.

4.2: Real Estate in Dar Es Salaam

Dar es Salaam is Tanzania's economic heartbeat, and report shows that Dar es Salaam is set to grow by over 80% by 2035, making it one of Africa's fastest-growing cities. This growth has businesses clamoring for space. Retail hubs, office buildings, and industrial developments are booming because they cater to regional trade, local enterprise, and foreign investment.

Unlike housing projects, commercial properties offer developers faster returns through leasing and rental income. Investors targeting commercial real estate development know they can count on strong demand, especially in growing areas like the central business district and emerging industrial hubs.

The government's focus on large-scale infrastructure, such as the Dar es Salaam port expansion and upgraded road networks and railways, is drawing businesses to the city. These improvements make it easier to trade and commute, creating hotspots for commercial development in Dar es Salaam.

4.3: Types of Commercial Real Estate in Dar Es Salaam

In Tanzania, there are several types of properties but the main properties are;

Residential Buildings

These are real estate intended for personal living or rental income, encompassing various types of dwellings like single-family homes, apartments, condos, and townhouses. Essentially, its property designed for people to reside in, not for business or industrial purpose

Office Buildings:

An office building is a commercial real estate property designed for businesses and professional services. It's a common type of commercial property, often offering rental income and potential for capital appreciation. Office buildings are typically multi-tenant, meaning multiple businesses occupy the space, reducing risk for investors if one tenant vacates.

Retail Properties:

These include shopping malls, supermarkets, and stand-alone stores. Supermarket sheds and parking are required in almost all outlying areas of the city, particularly around major thoroughfares such as Morogoro Road to Kimara, Kilwa Road to Rangi Tatu, and Bagamoyo Road to Bunju.

Industrial Properties

Warehouses, factories, and manufacturing plants fall into this category. These structures are required in the vicinity of the port and airport and at Mbezi Luis bus station (Morogoro Road), New Bagamoyo Road bordering the city in anticipation of the new port of Bagamoyo which will be the largest of Africa. Very large intermodal sheds are also needed near the Tazara train station in which to load containers from the port onto the train. Even the Tanzania Railways Corporation itself has expressed its interest in finding partnerships with private individuals.

Small-scale hotels: With fewer than 30 rooms and a specific address for business travelers and semi-residents, these hotels are particularly popular in the central area and the Masaki peninsula. Hotel occupancy rates in this area exceed 70%

Mixed-Use Developments:

Combining residential, retail, and office spaces in one development, these projects are growing in popularity. Mixed-use projects, combining retail, office, and housing spaces, are emerging as a solution to the residential vs. commercial divide. These developments allow developers to diversify income streams while addressing housing needs. For investors, they offer the chance to buy apartments in Dar es Salaam that are integrated into thriving urban hubs. And for those looking to build apartment buildings in Dar es Salaam, mixed-use models may offer a more sustainable pathway forward.

4.4: Factors Fostering Real Estate in Dar Es Salaam

Population Growth

Dar es Salaam is projected to have a population of around 13.4 million by 2035, making it one of Africa's fastest-growing cities. This growth has people and businesses clamoring for space. Retail hubs, office buildings, and industrial developments are booming because they cater to regional trade, local enterprise, and foreign investment

Technological Advancements

Technology is crucial in modern real estate, enhancing efficiency, improving client experiences, and transforming how properties are bought, sold, and managed. It streamlines processes, facilitates data-driven decision-making, and introduces innovative tools like virtual tours and smart contracts. Technology is revolutionizing the real estate sector in Tanzania. Innovations such as online property digital listings, virtual tours, block chain, smart contract, internet of Things, 3D modeling, Virtual Reality, Computer Vision and AI for secure transactions are becoming more prevalent. These advancements enhance transparency, efficiency, and convenience in property management and sales. In essence, technology is transforming the real estate industry by making it more efficient, client-centric, and innovative, ultimately benefiting both real estate professionals and consumers

Government Policies and Regulations

Tanzania's real estate policies are primarily governed by the Land Act (Cap 113 R.E 2019), which establishes a leasehold system where individuals and entities can obtain rights of occupancy over land for specific periods (e.g., 33, 66, or 99 years, renewable). The government holds all land as public property, and rights of occupancy are granted by the President on behalf of the people. The recent National Land Policy (2023 Edition) aims to modernize land governance, improve technology integration in surveying, and streamline processes for foreign and diaspora investment. Government policies play a pivotal role in shaping the real estate market. Recent policy changes aimed at improving land acquisition processes and promoting affordable housing have had a positive impact. However, regulatory compliance remains a challenge for many developers, necessitating a thorough understanding of local laws and regulations.

Foreign Investment and Its Influence

Foreign investment is a significant contributor to the growth of Tanzania's real estate market. Investors from China, the Middle East, and Europe are increasingly looking at Tanzania as a viable investment destination. While this influx of capital brings opportunities, it also presents challenges such as competition and cultural integration.

Sustainable Development Practices

Sustainability is becoming a key focus in real estate development. Projects that incorporate green building practices, energy efficiency, and sustainable materials are gaining traction. Examples include eco-friendly residential complexes and commercial buildings that minimize environmental impact.

CHAPTER FIVE

MARKET ANALYSIS

5.1 Market overview

According to Statista, the Tanzanian real estate market is experiencing growth, particularly in residential and commercial sectors, with a projected value of US\$745.46 billion by 2025. Residential real estate dominates the market, and luxury beachfront properties are also gaining popularity. The market is driven by factors like Tanzania's growing economy, increasing urbanization, and the burgeoning tourism industry. Among the various segments, Residential Real Estate dominates the market with a projected market volume of US\$683.25bn in the same year. This segment is expected to grow at an annual growth rate of 6.69% (CAGR 2025-2029), resulting in a market volume of US\$965.80bn by 2029. Tanzania's real estate market is experiencing a surge in demand for luxury beachfront properties due to its stunning coastline and growing tourism industry.

5.2: Market Drivers

Affordable residential and commercial housing is the marketing factor for growth. A person's well-being can be significantly impacted by having access to inexpensive housing. For example, the government established the Tanzania Mortgage Refinance Company (TMRC) to combat the issue and broaden the housing finance industry. The TMRC was supported by the creative Tanzania Housing Finance Project, which the IDA funded. This support allowed the TMRC to offer medium- and long-term liquidity to mortgage lenders, making it simpler for them to grant loans to families looking to buy new homes or make improvements to their current homes. Mortgage repayment terms were increased from five years to 25 years, interest rates were lowered from over 21% to 15% annually, and the home finance market's development made loans more accessible. According to estimates, Tanzania needs an additional 200,000 housing units per year, totaling 3 million units, according to Shelter Afrique, a pan-African finance institution.

According to the TMRC, the value of mortgage loans increased by 1.24% during Q2 2022. However, the TMRC's continued availability of long-term capital in the form of refinancing and pre-financing to enable PMLs to match their assets (mortgages) and liabilities remains a crucial factor in the expansion of the mortgage market in Tanzania. The Housing Microfinance Fund (HMFF), another program established under the Housing Finance Project (HFP), aims to offer long-term loans to low-income earners who currently lack access to housing finance for the construction of a home or for home modifications. Collaboration with Habitat for Humanity International to launch a program to expand mortgage loan outreach to the microfinance sector is one of TMRC's other continuing projects for the growth of the mortgage market.

Despite this, 70% of Tanzanian housing is self-built, and many homes are constructed in stages utilizing savings, which has deteriorated the overall quality of houses. The NHC announced that, due to the public's poor purchasing power, it would increase the ratio of rental properties to for-sale homes from 30:70 to 80:20. The NHC intends to achieve this target by expanding its building material manufacturing capacity to facilitate

quality construction in the self-build sector and lower the cost of crucial materials for its low-cost house construction.

5.3: Demand and Supply

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. Developers, contractors, housing financiers, and housing market service providers and intermediaries are increasingly common. Pension funds increasingly invest in housing and complete around 1,000 units per year in total. Co-operatives are estimated to also deliver about 1,000 units per annum.

5.4: Market Segments

Real estate market in Dar Es Salaam segmented into the following segments;

Residential Buildings: This market segment include real estate intended for personal living or rental income, encompassing various types of dwellings like single-family homes, apartments, condos, and townhouses. Essentially, these type of properties are designed for people to reside in, not for business or industrial purpose

Office Buildings: This market segment include commercial real estate property designed for businesses and professional services. In the market they often offer rental income and potential for capital appreciation. Office buildings are typically multi-tenant, meaning multiple businesses occupy the space, reducing risk for investors if one tenant vacates.

Retail Properties: This segment include shopping malls, supermarkets, and other stand-alone stores.

Industrial Properties. This segment include Warehouses, factories, and manufacturing plants fall into this category.

Mixed-Use Developments: This segment combines residential, retail, and office spaces in one development. These kind of projects are growing in popularity in the market. Mixed-use projects, combining retail, office, and housing spaces, are emerging as a solution to the residential vs. commercial

5.5: Target Customers

In the Dar Es Salaam, real estate market, target customers include individuals and businesses seeking affordable housing, modern amenities, and commercial spaces. This includes middle and lower-income segments, those seeking secure, well-serviced living options, and businesses needing retail, office, or industrial spaces.

CHAPTER SIX

PROJECT DESCRIPTION

6.1 Project Overview

The proposed project will be involved in construction of m residential and commercial apartments for sale. The project will be a 10th floor building with at least 35 apartments. The proposed location for the project is MSASANI PENINSULA Kinondoni, Dar Es Salaam Plot no. 899. Msasani Peninsula is located just a few kilometres north of the city centre,. Jutting into the Indian Ocean, leafy Msasani Peninsula is home to upscale resort hotels with waterfront pools and gardens. Dining choices range from steakhouses to pizzerias, while al fresco bars play relaxed music. This makes Msasani Peninsula area popular choice for diplomats and embassy staff, ex-pats and businesses

Msasani PENINSULA has ocean view area where most of the clientele interested in luxury apartment are interested in apartments with ocean views. This reason ensures that the company that it will not struggle selling its properties. And because the area is attractive to many clientele, the company expects to benefit from high prices. The company expects to sell one apartment at USD 190,000-250,000 which is good price compared to construction cost

6.2 Number of Properties

The proposed project will be a 10th floor building with 35 apartments. The apartments will be suitable for multiple uses; for residential and commercial uses.

6.3 Employment creation

One of the core objectives of the company is to create employment to the locals. The company policy is employ more than 75 percent of local employees putting emphasis on the gender equality in employment opportunities. It is expected that the company through the project is going to employ 200 people directly and more than 50 indirectly

6.4 Technology and Skills Transfer

The company policy is to make sure that skills and technology used in the operations are transferred among the local labour .The company will ensure most of site operations are run by locals and by so doing the company will enable the local labour learn the construction skills and technology used in the project

6.5 Project Operational Plan

The project is expected to start in July 2025 and construction will take 2 year to complete. The Marketing and sale process is expected to complete after 5 years.

The project cost is USD 2.8 million and the company plans to get fund will be from shareholders, pre-selling, borrow money from friends, and through partnerships with other developers. The company plans to market and sale the pre-built apartment to prospective customers which will be one the source of fund for construction.

6.5 SWOT Analysis

Strength

- ✓ Suitable location. The project will be located Dar Es Salaam, at Msasani Peninsula which is business hub the country and therefore easy for accessibility to the target customers.
- ✓ Using local technical experts. This will reduce the cost of hiring foreign experts and therefore will reduce cost of construction

Weakness

- ✓ Inadequate fund. The company expects to borrow funds from friends and engage other developers and through pre-selling. If this plan fails, the company have not enough fund to run the project
- ✓ Management Challenges: Managing commercial properties requires time, effort, and expertise which may affect the project

Opportunity

- ✓ Market demand is not met. The demand for housing in Dar Es Salaam is huge due to increased demand for residential and commercial uses. Housing demand is increasing by about 200,000 units annually, with the current housing deficit estimated at about 3 million units
- ✓ Growing Economy: Tanzania is one of the fastest-growing economies in East Africa, which translates into higher demand for commercial spaces.
- ✓ Infrastructure Development: Recent investments in roads, ports, and other infrastructure have opened up new opportunities in real estate development.
- ✓ Urbanization: Dar es Salaam is experiencing rapid urbanization. As more people migrate to urban centers, the need for commercial real estate follows suit.

Threat

- ✓ Market Fluctuations: Property values can rise or fall depending on economic conditions. Sometimes market price becomes lower than the construction cost
- ✓ Legal Disputes: Unresolved legal issues can delay or even nullify the investment

One of the main strengths of this project is its position, the project location will be in MSASANI PENINSULA, Msasani Peninsula area popular choice for diplomats and embassy staff, ex-pats and businesses who like to live or place their business in this area. Therefore, it is expected that the prospective customers will be easily accessed and moreover the company strategy is to pre-sell its properties. Although one of challenge is that most people in Dar Es Salaam cannot afford buying luxury apartment, the company would target towards wealthy clientele who are interested living in the project area.. Kiondoni ,Dar Es Salaam that makes easy to access to the market as Dar Es Salaam is main business hub of the country and neighboring countries and it the gateway to other regions in Tanzania.

CHAPTER SEVEN

PROJECT FINANCIALS

7.1 Project Costing

The project costs will involve purchase of land/Plot, construction cost and other consultation costs

Total Project Investment Costs

PARTICULARS	ALLOCATED BUDGET IN USD
Land/Plot	100,000
Total	100,000
PERMITS	
Building Permit	5000
Zoning Permit	5000
Environmental Permit	5000
Temporary construction permit	5000
Other	7000
Total	27,000
OTHER REQUIREMENTS	
Plans & Specification	100000
Plant Review	50,000
Survey	20,000
Impact fee	30,000
Administrative expense	70,000
Financing costs	150,000
Legal fees	160,000
Engineering fees	250,000
Other	20,000
Total	850,000

PARTICULARS	ALLOCATED BUDGET IN USD
SITE PREPARATION	
Remodeling	10,000
Jacking & shoring	20,000
Dust control & Surface protection	10,000
Job site access	5,000
Job site security	5,000
Dumpster and Removal	10000
Clear Lot	5000
Storage on Site	5000
Portable Toilet	5000
Temporary Power	2000
Scaffolding rental	2000
Tool/Equipment Rental	10,000
Other	5000
Total	94,000
ONSITE WATER/SEWEW	
Soil and Perc Tests	6000
Septic System Design	5000
Septic permits & inspections fees	5000
Septic System installation	7000
Dewatering	8000
Plumbing works	5000
Plumbing permits and fees	5000
Other	5000
Total	46000
UTILITIES	
DAWASA water fees and hookup	2000
Electrical installation	2000
Internet installation	2000
Other	1000
Total	7000
EXCATION AND EARTHWORK	185,000
BUILDING	1,000,000
FISHING	500,000
Total	1,685,000
TOTAL PROJECT COST	2,809,000

7.2: Project Financing Plan

The project cost is USD 2.8 million and the company plans to get fund will be from shareholders, pre-selling, borrow money from friends, and through partnerships with other developers. The company plans to other market and sale the pre-built apartment to prospective customers which will be one the source of fund for construction

S/N	Source of Fund	Amount (USD)	Date of disbursement	Percentage
01	Shareholder contribution	1,209,000	July 2025	43%
02.	Preselling	300,000	July 2025	12%
03	Friends	500,000	July 2025	17%
04	Other Developers	800,000	July 205	28%
	TOTAL	2,809,000		100%

7.3: Implementation Plan

S/N	ACTIVITIES	Time
1	Company registration Feasibility study development of project proposal and Processing permit, licenses and other compliances	January- December 2023
2.	Obtaining Fund	January-March2025
3.	Obtaining Permits	April 2025
4	Hiring Vendors	May- June 2025
9	Start of construction	July 2025

7.4 Summary of Cost presentation and financial analysis

Fixed Cost	USD 2,809,000
Working Capital	
Total Investment	USD 2,809,000
IRR	55.43%
Investment gain in 5years	5,886,000
Return On Investment	209.54%
Annualized ROI	25.36%
Payback Period	1.605 YEARS
Discounted Payback period at 18%	2.060 YEARS
Cash Flow Return Rate	55.43%

7.5: Financials

7.5:1 Projected Income Statement (Currency in USD)

Description	year 1	year 2	year 3	year 4	Year 5
Income					
Sales	1,750,000.00	1,750,000.00	1,750,000.00	1,750,000.00	1,750,000.00
Other Incomes	0	0	0	0	0
Total	1,750,000.00	1,750,000.00	1,750,000.00	1,750,000.00	1,750,000.00
Expenses					
Plot	100,000.00				
PERMITS	27,000.00				
PREP. REQUIREMENTS	850,000.00	15,000.00	12,000.00	13,000.00	15,000.00
SITE PREPARATION	94,000.00				
ONSITE WATER/SEWEW	46,000.00				
UTILITIES	7,000.00				
EXCATION AND EARTHWORK	185,000.00				
BUILDING	1,000,000.00				
FINISHING	500,000.00				
TOTAL	2,809,000.00	15,000.00	12,000.00	13,000.00	15,000.00
Gross income	1,059,000.00	1,735,000.00	1,738,000.00	1,737,000.00	1,735,000.00

7.5.2: Projected Cash flow for 5 years (Currency in USD)

		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Beginning cash balance			2,809,000.00	1,750,000.00	3,485,000.00	5,223,000.00	6,960,000.00
	Acc. Received collection	0	0	0	0	0	0
	Funds obtained	2,809,000.00					
	Sales and Receipts		1,750,000.00	1,750,000.00	1,750,000.00	1,750,000.00	1,750,000.00
Total cash inflow		2,809,000.00	1,750,000.00	1,750,000.00	1,750,000.00	1,750,000.00	1,750,000.00
Available cash balance		2,809,000.00	4,559,000.00	3,500,000.00	5,235,000.00	6,973,000.00	8,710,000.00
	Plot		100,000.00				
	PERMITS		27,000.00				
	PREP.REQUIREMENTS		850,000.00	15,000.00	12,000.00	13,000.00	15,000.00
	SITE PREPARATION		94,000.00				
	ONSITE WATER/SEWEW		46,000.00				
	UTILITIES		7,000.00				
	EXCATION AND EARTHWORK		185,000.00				
	BUILDING		1,000,000.00				
	FINISHING		500,000.00				
Total Cash outflow	Total	0	2809000	15000	12000	13000	15000
Net Cash flow		2,809,000.00	1,750,000.00	3,485,000.00	5,223,000.00	6,960,000.00	8,695,000.00
	Capital purchases	0.00	0	0	0	0	0
Ending cash balance		2,809,000.00	1,750,000.00	3,485,000.00	5,223,000.00	6,960,000.00	8,695,000.00

7.5.3 Projected Balance Sheet

Description	Cost (USD)	Net Book Value
Non -Current Tangible Asset		
Motor Vehicles	100,000	100,000
Machinery and tool	300,000	300,000
Fixture, Fitting and equipment	20,000	20,000
Freehold Property (land, houses etc	100,000	100,000
Total	520,000	520,000
Non -Current Intangible Asset		
Goodwill assets	0	0
Patents	0	0
Shares in subsidiary company	0	0
Total	0	0
Current assets		
Account receivable		0
Other debtors		0
Bank/cash in hand		8,695,000.00
Total		8,695,0000
TOTAL ASSETS		8,747,000
Liabilities		
Loans (Bank loan)		0
Accruals		0
Account payable		0
Tax payable		0
TOTAL LIABILITIES		0
NET ASSET		8,747,000