

GOBA CITY MALL FEASIBILITY STUDY

1. Executive Summary

Our business plan focuses on developing and leasing commercial real estate property with a total leased area of 2,127 square meters. The property is located at Goba Dar es salaam, Ubungo District, strategically positioned to attract corporate clients seeking banking branches, supermarkets and shops. The lease fee will be 648447 Tsh per year for square meter. We aim to capitalize on the growing demand for quality business spaces.

2. Technical Feasibility

This section evaluates whether the project is technically viable based on the proposed design, infrastructure, and resource availability.

2.1. Site Conditions & Infrastructure

The selected site has access to major roads, water, electricity, and sewage systems, ensuring essential infrastructure is in place for the project. Soil testing confirms that the land can support a multi-story commercial structure, meeting the necessary geotechnical requirements. Additionally, environmental impact assessments have been conducted to ensure compliance with sustainability regulations, minimizing ecological disruption and promoting responsible development.

2.2. Construction Requirements

High-quality construction materials, including concrete, steel, glass, and finishing materials, are readily available for the project. Additionally, skilled labor such as engineers, architects, contractors, and technicians is accessible to ensure efficient execution. The project will also leverage modern construction techniques, including prefabrication, smart HVAC systems, and automated security solutions, to enhance efficiency, safety, and sustainability.

2.3. Risk Analysis

Potential risks for the project include delays in material supply and adverse weather conditions, which could impact the construction timeline. To mitigate these risks, contingency planning, agreements with multiple local suppliers, and advanced procurement strategies will be implemented to ensure steady material availability and workforce stability.

3. Economic Feasibility

This section examines the financial viability of the project.

3.1. Estimated Costs

The table below provides a summary of the projected costs for each major component of the project.

Preconstruction costs	50 million shillings
Construction costs	4.4 billion shillings
Operation setup	150 million shillings
Operation costs	250 million shillings

3.2. Revenue Projections

Retail space leasing	1.38 billion Tanzanian shillings
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3.3. Return on Investment (ROI)

The projected return on investment (ROI) for the mall is estimated to be **50% within five years**, driven by revenue from leasing and operational activities.

Projected Revenue for Each Year

The price 648,447Tsh per square meter per year

Since the goal is to reach **6.9 billion shillings** in total over **5 years**, the revenue for each year will follow this distribution:

- **Year 1:** 1.38 billion Tanzanian shillings
- **Year 2:** 1.38 billion Tanzanian shillings
- **Year 3:** 1.38 billion Tanzanian shillings
- **Year 4:** 1.38 billion Tanzanian shillings
- **Year 5:** 1.38 billion Tanzanian shillings

4. Legal Feasibility

This section ensures the project complies with all legal requirements.

4.1. Zoning & Land Use Regulations

The selected site is designated for **commercial (retail and wholesale), Residential** purposes and under the **Land Act (1999)**, allowing for the intended development.

4.2. Permits & Approvals

Environmental Clearances

The project must secure environmental clearances, including waste management and noise control. These are regulated by the **National Environmental Management Council (NEMC)** under the **Environmental Management Act (2004)**. An **Environmental Impact Assessment (EIA)** is required to evaluate potential environmental risks such as air, water, and noise pollution, with mitigation measures in place to address them.

Construction Permits

The construction of the mall requires permits from the **Construction Industry Regulatory Board (CRB)**, which ensures compliance with national construction standards. This includes **structural, electrical, and plumbing permits**, all of which must be approved before any construction begins. The CRB oversees the safety and quality of building projects, ensuring that they meet the necessary regulatory guidelines.

Business Licenses

To legally operate the mall, including leasing spaces to tenants, the project must obtain **business licenses** from the **Business Registration and Licensing Agency (BRELA)**. This is required for the mall's business operations, ensuring compliance with national commercial laws and tax obligations. Each tenant must also secure their own business license through BRELA to legally operate within the mall.

Tax Identification Number (TIN) and VAT Registration Number (VRN)

A **TIN (Tax Identification Number)** and **VRN (Value Added Tax Registration Number)** must be obtained from the **Tanzania Revenue Authority (TRA)**. The TIN is necessary for tax reporting and legal business transactions, while the VRN is required for VAT purposes. These registrations ensure that the project adheres to tax laws and remains compliant with Tanzania's taxation policies.

4.3. Contractual Obligations

Lease agreements for tenants must align with government regulations, ensuring transparency, fairness, and compliance with the **Land Act (1999)** and the **Business Activities Registration Act (2007)** in Tanzania. These regulations govern tenancy terms,

rental obligations, and dispute resolution processes, providing legal protection for both the mall management and tenants.

Additionally, strict adherence to labour laws, such as the **Employment and Labour Relations Act (2004)** and the **Occupational Health and Safety Act (2003)**, is essential to safeguard workers' safety and welfare. These laws mandate appropriate working conditions, fair wages, and occupational safety measures, thereby promoting a secure and ethical working environment throughout the project's lifecycle.

5. Operational Feasibility

This section assesses the ability to run and maintain the mall efficiently.

5.1. Facility Management

A comprehensive **security system** will be in place, including CCTV, access control systems, and 24/7 security personnel to ensure the safety of both tenants and customers.

Maintenance of essential systems such as **HVAC, escalators, and elevators** will be managed through dedicated servicing contracts to ensure they remain functional and efficient.

Additionally, **cleaning and waste management** will be outsourced to professional janitorial services to maintain a clean and safe environment.

5.2. Staffing & Management

A dedicated **mall management team** will be hired, including facility managers, security personnel, and marketing staff to oversee operations and ensure smooth day-to-day functions.

A **customer service** team will be in place to handle inquiries and issues, alongside an **emergency response team** to manage any unexpected situations.

6. Market Feasibility

This section evaluates demand and competition.

6.1. Target Market

Our primary target clients are **corporations, existing shops, and other businesses** seeking **modern and affordable commercial spaces** in a prime location.

The mall aims to attract a diverse range of tenants, including **retail stores, financial institutions, restaurants, and service providers**, ensuring a balanced mix of businesses to drive consistent foot traffic.

Notably, we have already secured commitments from a **financial institution and several existing shop tenants**, demonstrating strong initial demand and confidence in the project. This early interest positions the mall as a **key commercial hub**, offering high visibility and accessibility for businesses looking to expand or relocate.

6.2. Competitive Analysis

The project benefits from a **lack of nearby malls**, providing a significant competitive advantage in attracting retailers and customers.

With no direct competitors in the immediate area, the mall is positioned as a **prime commercial hub**, catering to unmet retail and entertainment demands. This creates an opportunity to establish a strong market presence and secure high tenant occupancy.

However, to maintain a competitive edge in the long term, the mall must focus on **diverse tenant selection, modern amenities, and unique customer experiences**, ensuring sustained foot traffic and consumer interest.

6.3. Target Audience

The mall aims to attract a diverse audience, including **general shoppers, business professionals, students, and tourists**, seeking shopping, dining, and entertainment experiences. By offering a well-balanced mix of tenants and modern amenities, the mall will position itself as a **leading retail and lifestyle destination** in the area.

7. Phases of implementation

A. Pre-Construction Phase

i. Feasibility & Market Study

- Location analysis, commercial viability, and ROI assessment
- Competitor benchmarking
- Land acquisition and legal clearances

ii. Design & Planning

- Architectural & structural design approval
- MEP (Mechanical, Electrical, Plumbing) design
- Fire safety & environmental impact assessment

iii. Permits & Approvals

- Local government, zoning, and environmental approvals
- Fire safety, building codes, and utilities approvals

B. Construction Phase

i. Site Preparation

- Site clearance
- Fencing and securing the site
- Construction of temporary structures
- ii. Foundation Work**
 - Excavation and earthworks
 - Construction of Foundation footings and retaining walls
 - Backfilling and compaction
- iii. Structural Work**
 - Constructing of RCC frame (Columns, beams and slabs)
 - Construction of roofing
- iv. Masonry & External Walls**
 - Blockwork
 - Glazing
- v. MEP & Utility Installations**
 - HVAC, elevators, escalators, fire suppression system
- vi. Interior Finishing**
 - Flooring, ceilings, lighting, painting
- vii. External Work & Parking Areas**
 - Landscaping, roads, parking, drainage system

C. Post-Construction Phase

- i. Testing & Commissioning**
 - MEP system testing (HVAC, electrical, plumbing)
 - Elevator & escalator testing
 - Fire safety system inspection
- ii. Handover to Operations Team**
 - Transfer of completed facility to management team

D. Mall Operational Setup Phase

- i. Security & Facility Management Setup**
 - CCTV, access control, security personnel hiring
 - Cleaning, maintenance, and waste management contracts
- ii. Retailer & Tenant Fit-Outs**
 - Individual stores set up their interiors
 - Lease agreements finalization
- iii. Marketing & Promotions**
 - Branding, advertisements, and social media campaigns
 - Launch event planning

E. Grand Opening & Handover

iv. Official Grand Opening

- Public launch, media coverage, promotional events

v. Operations & Maintenance

- Regular facility management
- Tenant relations management

8. Conclusion & Recommendations

8.1. Key Findings

The feasibility study confirms that the mall construction project is both viable and strategically advantageous. From a technical perspective, the selected site meets all necessary conditions for construction, with adequate infrastructure, stable soil conditions, and access to essential utilities.

Economically, the project demonstrates strong profitability potential, with ROI projections indicating long-term financial sustainability.

Legal compliance is assured, as the project aligns with zoning regulations and has obtained necessary regulatory approvals.

Additionally, the project is operationally sustainable, with effective facility management strategies in place and a high demand for commercial space among tenants. Market demand is evident due to the mall's prime location, growing customer base, and strong retail interest, making it an attractive investment. Finally, the project timeline is realistic, estimated at 3 years, provided that potential risks are mitigated effectively.

8.2. Recommendations

To maximize success, the project should proceed with a phased investment approach, allowing for better financial planning and risk management.

Securing pre-leasing agreements with major retail brands will ensure early occupancy, providing financial stability before project completion.

A strong marketing strategy should be implemented to establish brand positioning and attract both tenants and customers early on.

Additionally, integrating energy-efficient systems will help reduce long-term operational costs and improve sustainability. Lastly, it is crucial to establish contingency plans to address potential delays caused by unforeseen circumstances, ensuring smooth project execution and timely completion.