BUSINESS PLAN FOR TERRA NOVA INVESTMENT COMPANY

1.0 Executive Summary

Terra Nova Investment Company is a private company limited incorporated under the laws of Tanzania with incorporation number **(184-871-769)** based in Dar es Salaam, Tanzania. Specializing in property development and construction, the company's flagship project is the development of a multi-story mixed-use building on a strategically located Plot No. 591 at Msasani Peninsula, Dar es Salaam with title deed no. 18699 and L.O No. 27297. This joint venture with Joseph Robert Kotta of P.O Box 225 Kinondoni, Dar es Salaam will result in a 6-7 story structure featuring a residential units.

This development addresses the significant demand for modern, well-located properties in one of the city's most sought-after areas. With a total capital investment of 4,000,000 USD, allocated primarily to equipment and construction, the project is managed by two experienced directors with a deep understanding of the local real estate market. The plan is to create a landmark property that will not only generate significant returns through unit sales and long-term rentals but also set a new standard for urban living and working in Dar es Salaam.

2.0 Company Description

Business Name: Terra Nova Investment Company

Legal Structure: Private Limited Company by Shares

Incorporation Certificate Number: 184-871-769

Physical Address: Plot No. 1234, Block No. A, Kinondoni B, Dar es Salaam, Tanzania

Directors:

Mission Statement: To be a leading provider of high-quality, innovative, and sustainable real estate solutions in Tanzania, contributing to urban development while creating value for our stakeholders.

Vision Statement: To transform the urban landscape of Dar es Salaam by developing iconic, modern, and functional properties that set new standards for quality, design, and comfort.

Core Values: We are committed to integrity, innovation, sustainability, and excellence in all our operations.

3.0 Products and Services

3.1 Project Overview

The cornerstone of Terra Nova Investment Company's strategy is the development of a flagship, residential property at Plot No. 591, Msasani Peninsula with title deed no. 18699. This location is one of Dar es Salaam's most prestigious and sought-after neighborhoods, known for its proximity to diplomatic missions, corporate offices, high-end restaurants, and recreational facilities. The development will be a single, meticulously designed block with 6-7 floors, setting a new standard for urban living and commerce in the area.

The total built-up area is projected will be encompassing a variety of units to cater to a diverse client base. The building's design will blend modern architectural aesthetics with functional, sustainable features to ensure both visual appeal and long-term efficiency.

3.2 Residential Units

- 1-Bedroom Apartments (24 Units): Ideal for single professionals or couples. Each unit will feature an open-plan kitchen, a spacious living area, a modern bathroom, and a private balcony.

- 2-Bedroom Apartments (12 Units): Targeted at small families and executives. These units will include a master bedroom with an ensuite bathroom, a second bedroom, a common bathroom, and a large living space with an ocean or city view.

3-Bedroom Apartments (12 Units): The most luxurious units, designed for larger families. They will offer three spacious bedrooms, including a master suite, a large common living area, and a kitchen designed for entertaining.

Each apartment will be finished with high-quality materials, including [e.g., granite counter-tops, hardwood flooring, and floor-to-ceiling windows] to maximize natural light and views.

3.3 Building Amenities & Features

The value proposition of this property extends beyond the individual units. We will incorporate a range of high-end amenities to attract and retain tenants and buyers. These include:

- Security: 24/7 manned security, CCTV surveillance, and an access control system for both commercial and residential areas.

- Parking: Secure, multi-level parking with an allocated space for each residential unit and ample space for commercial visitors.

- Utilities: Reliable backup power generators to ensure uninterrupted electricity supply and a water treatment and storage system.

- Rooftop Terrace: A communal rooftop area offering panoramic views of the ocean and the city. It will serve as a recreational space for residents, potentially including a small gym or lounge area.

- Elevators: Two high-speed elevators, one dedicated for residential use and another for commercial use.

4.0 Market Analysis

4.1 Industry Overview: The Tanzanian Real Estate Market

The real estate sector in Tanzania has shown consistent growth over the past decade, fueled by a stable economic environment, rapid urbanization, and an influx of foreign direct investment. The demand for both commercial and residential properties, particularly in major cities like Dar es Salaam, continues to outstrip supply, creating a favorable market for new developments.

4.1.1 Residential Market: There is a significant and growing demand for high-quality, secure, and modern residential units, especially among the rising middle and high-income segments. Expatriates and international consultants are also a key demographic, often seeking rental properties that meet international standards.

4.1.2 Commercial Market: The growth of the services sector and the establishment of new businesses have created a strong need for contemporary office spaces. Businesses are moving away from older, less-equipped buildings and seeking properties with modern amenities, reliable utilities, and professional management.

4.2 Competitive Landscape

The market is competitive but fragmented. Key competitors can be broadly categorized as:

4.2.1 Large-Scale Developers: [Mainly are the state-owned entities. For example, the National Housing Corporation, the National Social Security Fund, Watumishi Housing Fund etc]. These firms typically focus on large projects or government-backed developments.

4.2.2 Boutique Developers: Smaller firms that specialize in niche, high-end projects. They often compete directly on location, design, and exclusive amenities.

4.2.3 Individual Landlords: A large number of properties are owned and leased by individuals, but these often lack professional management, modern amenities, and the institutional quality of our project.

Our project's competitive advantage is twofold: its prime location and its superior mixed-use design. Unlike many residential-only buildings, our inclusion of commercial space creates a vibrant on-site ecosystem and diversifies our income streams.

4.3 SWOT Analysis:

Strengths:

Prime Location: Msasani Peninsula is a highly desirable, affluent area with consistent demand.

Mixed-Use Design: The combination of commercial and residential units diversifies revenue streams and attracts a broader market.

Weaknesses:

High Initial Capital: The project requires a significant initial investment, making it sensitive to funding timelines.

Single Project Risk: The company's initial revenue is dependent on the success of this one development.

Opportunities:

Growing Economy: Dar es Salaam's growing economy and expanding expatriate community drive demand for high-end properties.

Future Developments: The success of this project can be leveraged to secure financing for future developments in other prime locations.

Threats

Competition: The presence of established developers and potential new projects in the area could affect pricing and sales.

Economic Volatility: Fluctuations in the Tanzanian economy or global financial markets could impact consumer spending and real estate prices.

Construction Costs: Unforeseen increases in the cost of construction materials could lead to budget overruns.

5. Marketing Strategy

Our marketing strategy is designed to create significant brand awareness for Terra Nova Investment Company and to generate a steady flow of qualified leads for both the commercial and residential units. We will implement a multi-channel approach to reach our segmented target market effectively.

5.1 Digital Marketing: A professional, responsive website will be our primary digital hub, featuring high-resolution renderings, virtual tours of the units, detailed floor plans, and a project timeline. Search Engine Optimization (SEO) will be used to ensure high visibility. Targeted social media campaigns on

platforms like Instagram and LinkedIn will showcase the project's lifestyle and professional appeal.

5.2 Public Relations: We will engage a local PR firm to secure coverage in leading Tanzanian newspapers and business publications. We will announce key milestones, such as the groundbreaking ceremony, construction progress, and sales launches, to maintain media interest and public confidence.

5.3 Partnerships with Real Estate Agencies: We will partner with a select group of high-end real estate agents in Dar es Salaam who specialize in serving expatriates and high-net-worth clients. These agents will be provided with comprehensive marketing materials, sales incentives, and exclusive access to units for preview.

5.4 On-Site Marketing: A professionally designed hoarding will be erected around the construction site to announce the project. This will serve as a constant, visible billboard for passersby in the high-traffic Msasani area. A small on-site sales office will be set up during the final stages of construction to provide direct tours and consultations.

5.5 Sales Strategy

Our sales strategy is tailored to maximize returns and ensure a quick recovery of investment.

5.5.1 Phased Sales Approach: We will adopt a phased sales model for the residential units. Early buyers will be offered incentives, such as discounted prices or preferred unit selection, to generate initial momentum and secure pre-sales.

5.5.2 Pricing Model: Pricing will be determined on a per-square-meter basis, with a premium for higher floors and units with better views. The current market rates in Msasani/Kinondoni range from USD 800 to USD 1,400 per square meter, with premium properties fetching even higher prices. Our pricing will be competitive yet reflect the superior quality of our build and amenities. A detailed pricing table will be created, outlining prices for each unit type.

5.5.3 Commercial Leasing: Commercial units will be offered for lease with long-term contracts (such as 5-10 years) to ensure a stable and predictable rental income stream. Leases will include annual escalation clauses and clearly defined terms for maintenance and service charges.

5.6 Revenue Forecast and Sales Pipeline

Item	Unit	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6

Investment Outflow	USD	-1200000	-2000000	-800000				
Revenue	USD				574740	1149480	1149480	1149480
Operating Cost	USD				86211	172422	172422	172422
Depreciation	USD				88000	176000	176000	176000
Amortization	USD				22400	44800	44800	44800
Profit Before Tax	USD				378129	756258	756258	756258
Income Tax (30%)	USD				113438.7	226877.4	226877.4	226877.4
Net Profit	USD				264690.3	529380.6	529380.6	529380.6
Operating Cash Flow	USD				375090.3	750180.6	750180.6	750180.6
Net Cash Flow	USD	-1200000	-2000000	-800000	375090.3	750180.6	750180.6	750180.6
Cumulative Cash Flow	USD	-1200000	-3200000	-4000000	-3624909.7	-2874729.1	-2124548.5	-1374367.9

6.0 Management and Organization

6.1 Organizational Structure

Terra Nova Investment Company's organizational structure is lean and efficient, reflecting the initial project-based focus. The two directors are at the helm, with specific responsibilities delegated to a qualified team.

Board of Directors:

[Ming Ni]: As the lead director, he will be responsible for overall strategy, financial oversight, and investor relations. His background in corporate finance and project management is critical to the project's success.

[Chunmei Ni]: This director will be responsible for operational management, including the oversight of the construction process, procurement, and team management. The director's expertise in civil engineering and real estate development is invaluable.

Management Team:

Project Manager: Will be hired full-time to manage the day-to-day operations of the construction site. This role is crucial for ensuring the project stays on schedule and within budget.

Accountant/Financial Controller: A part-time or outsourced professional to manage all financial records, payables, and a cash flow statement.

Sales & Marketing Manager: Will be hired 6 months prior to project completion to oversee all marketing campaigns and sales efforts.

6.2 Human Resources Plan

The project requires a mix of permanent staff and skilled contractors.

Permanent Staff: The directors and a project manager will form the core permanent team.

Contracted Workforce: The majority of the construction workforce, including masons, electricians, plumbers, and laborers, will be contracted through a primary construction firm. This strategy minimizes direct HR overhead and ensures access to a flexible and skilled workforce.

7.0 Financial Plan

7.1 Assumptions & Financial Model

Our financial model is built on conservative assumptions to provide a realistic forecast of the project's profitability and cash flow. All figures are in U.S. Dollars (USD) unless otherwise stated.

Project Duration: 24 months for construction and 36 months for financial projections.

Inflation Rate: Assumed at a modest [4%] per annum.

Sales/Leasing: Residential sales are projected to start in the final quarter of construction. Commercial leasing will begin upon completion.

Cost of Materials: Assumed to be subject to a [5%] annual increase.

7.2 **Financial Plan**

Startup Capital: Total Capital Investment: 4,000,000 USD

Capital Allocation:

Equipment & Building Costs: $3,500,000 (70%) - This includes raw materials, machinery, and all structural and finishing works.

Labour Costs: $750,000 (15%) - This covers all contracted and on-site labor.

Other Costs: $750,000 (15%) - This includes fees for the joint venture and permits, architectural and engineering fees, marketing and sales expenses, and a contingency fund of approximately $200,000 to cover unforeseen costs.

Exit Strategy: The company's primary exit strategy is through the sale of the residential units, which will be a key source of revenue to repay investors. The commercial units will be held for long-term rental income, providing a stable, recurring cash flow that enhances the company's valuation for future projects or potential sale of the entire asset.

8.0 Operations and Risk Management

a) Operations Plan:

Project Timeline (Projection):

Month 1-3: Land survey, architectural design finalization, and securing all necessary permits from local authorities.

Month 4-12: Foundation and structural construction (6-7 floors).

Month 13-18: Interior and exterior finishing, installation of utilities (plumbing, electrical), and amenities.

Month 19-21: Final inspections, obtaining occupancy permits, and commencing sales/leasing.

Supply Chain: We will establish relationships with reliable local suppliers for construction materials while also exploring partnerships with international suppliers for specialized fittings and fixtures to ensure high quality and timely delivery.

b) Risk Management Plan:

Financial Risk:

Risk: Cost overruns beyond the budgeted amount of USD 4,000,000.

Mitigation: A 10% contingency fund has been allocated. We will also secure fixed-price contracts with key suppliers and contractors where possible to mitigate price volatility.

Operational Risk:

Risk: Delays in obtaining permits or construction timelines.

Mitigation: We have established a strong relationship with the local partner, who will assist with navigating the regulatory landscape. The project manager will be responsible for closely monitoring the timeline and addressing any potential delays proactively.

Market Risk:

Risk: Inability to sell or lease units at the projected prices.

Mitigation: A flexible pricing model will be in place, allowing for adjustments based on market feedback. We will also target both local and expatriate markets to diversify our sales efforts.