

TERRAVISTA GROUP LIMITED

BUSINESS PLAN

FOR

DEVELOPMENT OF A RESIDENTIAL APARTMENTS FOR LEASE



1.0. EXECUTIVE SUMMARY

1.1 Project Concept

The envisaged project will involve construction of 20 units apartments with 3 bed rooms for lease/sale at **Plot No. 13, Visiga, Zegereni Area, Kibaha, Coast Region**, the property will be leased or sold, and business modal is built, lease or sale. The project will involve construction of 16 units apartments with 3 bed rooms for lease/sale to reduce shortage of good and affordable apartments for clients in Dar es Salaam, the proposed apartment will provide all basic services required for apartment. The project detailed designs have been carried out by reputable local consultant.

Project is being developed by **TERRAVISTA GROUP LIMITED** a locally registered company with Certificate of Registration **No. 185283216** Dated 26th May 2025

The project promoters are confident of mobilizing financial resources through owners' equity and loan from financial institutions

1.2 Location

The project will be located at **Plot No. 13, Visiga, Zegereni Area, Kibaha, Coast Region.**

1.3 The Sponsors

TERRAVISTA GROUP LIMITED is being sponsoring this project. The Company is jointly owned by two shareholders

Name of shareholders	% Ownership	Nationality
WEI GAO	90	China
TIE GUO	10	China

1.4 The Company Objectives

The company main business objective is real estate development

1.5 Objective of Study

The purpose of this study is to work out the project viability technically and financially of developing and operating a commercial residential apartments project.

2.0 Project Management and Manpower requirements

The project will under a competent real of **TERRAVISTA GROUP LIMITED** comprising 15 employees

The estate management company will be answerable to the holding company's Board of Directors for operational and policy decisions.

2.1 Project description

Significant measures have been taken to liberalize the Tanzania economy so that to encourage private sector to take a lead in

Tanzania economic growth; The Government of Tanzania embarked on adjustment program to give the private sector the leading role.

It is in view of the above; **TERRAVISTA GROUP LIMITED** came up with a proposal to develop commercial residential apartments for lease

It is expected that the construction of a commercial & residential apartment will be completed within two years time and the company will apply to be exempted from paying import duty and VAT on Capital good and deemed capital good.

2.2 **Industrialists urge SGR station for Kibaha Industrial Park.**

The Sino-Tan Industrial Park in Kwala, Kibaha District, have called on the government to establish a Standard Gauge Railway (SGR) station in the area to facilitate efficient transportation of goods, services and people.

The Sino-Tan Industrial Park, developed and operated by Sino-Tan Kibaha Industrial Park Co. Ltd, covers an area of about 1,000 hectares (10 square kilometres).

The 1,000-hectare industrial park, developed by Sino-Tan Kibaha Industrial Park Co. Ltd., is aiming to become a major industrial hub. The Sino-Tan industrial complex is expected to host up to 600 industries and employ over 100,000 Tanzanians.

The KAMAKA complex in Mlandizi covering over 1,077 acres, the ongoing construction of over 200 factories.

3.0 Industry, Trade and Investment Sector

3.1 Industry

Number of Industries; total 1,535 including 122 large, 120 medium, 276 small and 1017 Micro. During the sixth term of leadership, a total of 131 industries were established. Among them, 78 are large-scale industries. The region has 119 industries engaged in the processing of agricultural and livestock produce, offering a significant opportunity for citizens to contribute to the nation's economic growth.

The region has exceptional large and and medium industries including

- 34 Agro processing industries such as Bagamoyo Sugar Ltd, Tanchoice, Tanlapia Ltd, Fuzzy International Co. Ltd, Unify trading Corporation, Tera Cashew Processing Co. Ltd (T) Ltd;
- 11 Food manufacturing industries such as Bakharesa Food Products, Hill Packaging Co. Ltd, Sayona Fruits Products and U Fresh Co. Ltd.
- 71 Construction material industries such as Twyford Ceramic Tiles, Hong Yu Steel, Kiluwa Steel and Allied Company, Surphier Float Glass Ltd, Lake Steel and Allied Company, Lodhia Steel, Co. Ltd,

Good Will Ceramic Tanzania Ltd and BNBM Building Materials Co. Ltd.

- 11 human and animal medicine factories such as Kairuki International Co. Ltd, Hester Co. Ltd, Action Madero International Health Care and Bahari Pharmacy Co. Ltd
- 14 Packaging material industries such as Hill Packaging Co. Ltd, TC Industries and Global Packaging
- 7 motor vehicle and motor cycle assembling industries such as GFA Assembling Co. Ltd, King Lion, Tata Africa Holding Tz & Motor hub EA and Equar Suma JKT Ltd Vehicle assembly Factory
- 17 Electricity materials industries
- 12 Plastic materials manufacturing industries
- Other 32 industries such as King Lion Co. Ltd, KEDS Ltd, Hunan Power group, Lake Steel Group Co. Ltd, Raddy Fibre Manufacturing Tz. Ltd, Instan blue Industries Ltd and Fesho Group of Companies.

3.1 Employment in Industrial Sector

The industrial sector had created direct employment 21,149 and more than 60,000 indirect employments where more than 70% are youth and Women.

3.2 Investment Opportunities

Pwani has 27 industrial parks and areas set aside for industries construction with a size 24,245.61 hectare, which is the vast

opportunities that attract investment in the Coastal Region. These areas include special economic zones (SEZ) 5 (Kwala, Bagamoyo, Vigor SEZ, Min Xin and Kamal); 7 industrial parks (Kwala Industrial Park, Modern Industrial Park, TAMCO, Dundani, Elsewedy, Grei and Kibaha DC Industrial Parks) as well as 14 other areas in all the Districts within the Region. Also, there's opportunities such as construction of social facilities like hotels, financial facilities, apartments, Construction of modern markets, storage facilities, shopping malls, Establishment of an animal zoo, building a fish-processing plant, factory for producing medical equipment and supplies, tourist hotels, building a modern fish market, establish a parking facility for heavy trucks (lorry park), construction of recreation centers and establish modern sport arena.

3.3 Strategic location and economic infrastructures;

- Three rail way lines passing through the region including Central line Dar es Salaam to Kigoma, - Mwanza – Katavi and Dar es Salaam to Tanga, TAZARA from Dar es Salaam to Zambia and SGR line from Dar es Salaam to Dodoma.
- Nearest to the Julius Nyerere International Airport 33.91 km from Regional Head Quarter (Kibaha)
- Availability of road network of 1,924.9 km where 501.5 km connect the Region with other Regions ie. Tanga, Morogoro, Lindi and Mtwara.

- Nearest to the Dar es Salaam Port 37 km from Regional Head Quarter (Kibaha) and 41.4 to Mkuranga District
- Availability of electricity from Mwl. Nyerere Hydro Power Project
- Availability of Natural gas for industrial operations
- Connection with International markets of EAC, SADC and China through Dar es salaam and Tanga Ports.
- Availability of water from underground, Lower and Upper Ruvu sources.
- Existence of water bodies and 600 km coastal line suitable for Blue Economy investments at Bagamoyo, Chalinze, Mafia, Kibiti and Mkuranga including transport and transportation, Fish processing, fishing vessel, cultural cottage, diving and Salt farms
- Existence of 87 tourism investment opportunities at Bagamoyo, Mafia, Chalinze, Mkuranga, Kibiti and Kisarawe including Saadan Game Reserve, historical sites, ecosystem and unique natural forest reserves, Mangrove Forest, Beautiful beaches and other offshore islands
- Availability of 1,727,352 arable land for agriculture and livestock activities whereas Cashew nuts, simsim, peagon pea are cultivated as cash crops
- Availability of different minerals to include industrial minerals such as dolomite, limestone, feldspar, quartz, calcite, calcin, graphite, siliceous sand, casite, Malaika – Ulanga na salt; metals (Gold, rhodolite garnet, rose garnet stone and moonstone) and

various gravel types. Opportunities in Mineral Sector include research, extraction and mines value addition.

3.4 Strategic Projects;

Six strategic projects are under progress, these include;

- Kwala Commercial City where 30 villages to form 1,171.6 sq km in 3
- Construction of Dry port at Kwala – Kibaha DC to reduce Dar es Salaam congestion; Construction of Phase I was completed.
- Construction of Bagamoyo Special Economic Zone (SEZ). The project is coordinated by EPZA and will be implemented in area of 9,800 ha. in Zinga, Kiromo, Pande, Mlingotini na Kitopeni Villages. This project is on the stage of review of the Master Plan and payment of compensation.

4.0 Market Strategy

According to expert, personal selling is the most effective method for marketing packaging accommodation, training and conference services because the customers and institutions. In order to reduce sunk costs, the project will use marketing agents who will be paid commissions on successful deals. Marketing in all types of media and publicity will support and enhance personal selling

The project will use internet for advertising to potential customers in the world.

4.1 Pricing

The pricing policy for the project will be based on the service cost and competition levels considering various variables namely:

- Service positioning
- Gain market share from competitors
- Stimulating and increasing demand and
- Achieving profitability and liquidity financial performance goals

The recommended market entry tariff for apartments for leasing is estimated to be US\$800 per month.

5.0 Project Investment Cost

The estimated capital investment cost of the project is U US \$ 3,190,000

TERRAVISTA GROUP LIMITED COST STRUCTURE US \$

Land and Buildings	2,500,000
Machinery & Equipment	80,000
Motor Vehicles	80,000
Furniture & Fixtures	20,000
Pre exp	20,000
Others	410,000
Working Capital	80,000
TOTAL	3,190,000

For the project to be a reality a total investment amounting to US \$ 3,190,000 is needed

5.1 **FINANCING PATTERN**

The project will be financed by equity by US\$ 1,690,000 and loan US\$1,500,000

5.2 **PROJECT OPERATING COSTS**

In order to realize its intended objective, the project will have to meet operating costs which will constitute 5% of total revenue.

5.3 **Aspect of Project Sustainability**

The project sponsors having studied market conditions and the infrastructure in Tanzania are convinced that the project will be able to operate undisturbed. The growing of Tanzania economy and increase of economic activities in Dar es Salaam City gives them assurance of a steady market. The peace and tranquility that exist in Tanzania is another aspect of assured business sustainability.

5.4 **Monitoring and Evaluation**

The monitoring and evaluation tools will be applied in running this project as well, the project sponsors are determined to cooperate fully with the government and other stakeholders for smooth business running.

5.5 Projected Risks

This is a real estate investment; no major risks have been identified for this kind of project so far. Unless a change in the country's political and economic stability occurs, the project is more likely to prosper very fast for a very long period.

6.0 Financial Analysis

6.1 Considerations and Assumptions:

The corporate tax charged is 30% of the profits. Capital investment allowance is 50%. The capital assets are exempted from custom duty and Value Added Tax. The straight-line method to depreciate the project's capital items has been applied.

It is assumed that the major building raw material will be procured from local market and other will be imported. Revenues have been conservatively estimated based on experience of the promoters and trends in the hospitality industry.

6.2 Projected Profit and Loss Statement

The Income and Expenditure Statement shows the projected income for the 5 years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from. US \$ 217,630 in first year to US \$ 3,638,592 in the 10th year.

6.3 Projected Cash Flows

This is shown in the financial statements. The project has a positive end of year cash flow from 1st year projected to be US\$ 403,230 to the US \$ 4,594,592 in 10th year.

6.4 Projected Balance Sheet

The projected Balance Sheet of the projected is shown in the financial statements under same heading. Shareholder's equity increases from US\$**1,690,000** in the first year of operation to US \$ **5,188,592** in the 10th year.

6.5 Projected payback period

Total investment is US \$ 3,190,000 cash accumulation in 9th year is US\$ 4,052,379 which is more than the initial investment, the project payback Period is exactly 9 years, only

7.0 ECONOMIC ASPECTS

Implementation of this project will have the following social and economic values

- The project is an ideal option for utilization of the prime site at Kibaha
- The project will increase number of quality accommodation in Kibaha
- The project will create employment for 15 people on permanent contract basis as well as on temporary basis.

- It will create more business opportunities to local suppliers.
- It will generate substantial revenue to the government in the form of corporate tax, value added tax and pay as you earn.
- The project will transfer of knowledge and skills to other real estate developer in the country as far as developing and managing real estate

8.0 Implementation

Project implementation is expected to be relatively very short once project has been approved it is estimated that the project will be implemented as followings: -

S/N	Activity	Period
1	Processing TIC Certificate of Incentive	July 2025
2	Construction	October 2025 – December 2028
3	Procurement furniture and other facilities	January-March 2029
4	Recruitment	March-April 2029
5	In house training	May- June 2029
6	Commercial operations	July 2029

9.0 Conclusion and Recommendations

The project is technically feasible, financially viable, and economically sound, provided the sponsors will manage it efficiently.

It is recommended that the project be approved by Tanzania Investment Centre and be granted the TIC Certificate of Incentives with its associated privileges and benefits as provided for under the Tanzania Investment Act, 2022.

APPENDIX I

TERRAVISTA GROUP LIMITED PROJECTED PROFIT AND LOSS STATEMENT US\$

	1	2	3	4	5	6	7	8	9	10
Revenue (Food & drinks)	510,000	535,500	562,275	590,389	619,908	650,904	683,449	717,621	753,502	791,177
Operating Expenses:	25,500	26,775	28,114	29,519	30,995	32,545	34,172	35,881	37,675	39,559
Profit before Depreciation & Interest	484,500	508,725	534,161	560,869	588,913	618,358	649,276	681,740	715,827	751,619
Interest	120,000	96,000	72,000	48,000	24,000	-	-	-	-	0
Depreciation	53,600	53,600	53,600	53,600	53,600	53,600	53,600	53,600	53,600	53,600
Gross Profit	310,900	359,125	408,561	459,269	511,313	564,758	595,676	628,140	662,227	698,019
Tax (30%)	93,270	107,738	122,568	137,781	153,394	169,428	178,703	188,442	198,668	209,406
Profit After Tax	217,630	251,388	285,993	321,489	357,919	395,331	416,973	439,698	463,559	488,613
Accumulated Profit	217,630	469,018	755,010	1,076,499	1,434,418	1,829,749	2,246,722	2,686,420	3,149,979	3,638,592

APPENDIX II

TERRAVISTA GROUP LIMITED PROJECTED CASH FLOWS US\$

SOURCES:		1	2	3	4	5	6	7	8	9	10
Profit before interest and depreciation	-	484,500	508,725	534,161	560,869	588,913	618,358	649,276	681,740	715,827	751,619
Equity	1,690,000										
Loan	1,500,000										
Total Sources	3,190,000	484,500	508,725	534,161	560,869	588,913	618,358	649,276	681,740	715,827	751,619
Applications:											
Capital expenditure	2,608,000	-	-	-	-	-	0	0	0	0	0
working Capital & Others	582,000										
Cash	-	403,230	412,988	423,593	435,089	447,519	448,931	470,573	493,298	517,159	542,213
Tax	-	81,270	95,738	110,568	125,781	141,394	169,428	178,703	188,442	198,668	209,406
Sub total	3,190,000	484,500	508,725	534,161	560,869	588,913	618,358	649,276	681,740	715,827	751,619
Total applications	3,190,000	484,500	508,725	534,161	560,869	588,913	618,358	649,276	681,740	715,827	751,619
Accumulated cash		403,230	816,218	1,239,810	1,674,899	2,122,418	2,571,349	3,041,922	3,535,220	4,052,379	4,594,592

APPENDIX III

TERRAVISTA GROUP LIMITED PROJECTED BALANCE SHEET US\$

Fixed Assets	-	1	2	3	4	5	6	7	8	9	10
Opening balance	-	2,608,000	2,554,400	2,500,800	2,447,200	2,393,600	2,340,000	2,286,400	2,232,800	2,179,200	2,125,600
Total Long-term Assets	-	2,608,000	2,554,400	2,500,800	2,447,200	2,393,600	2,340,000	2,286,400	2,232,800	2,179,200	2,125,600
Less depreciation	-	53,600	53,600	53,600	53,600	53,600	53,600	53,600	53,600	53,600	53,600
Closing balance	-	2,554,400	2,500,800	2,447,200	2,393,600	2,340,000	2,286,400	2,232,800	2,179,200	2,125,600	2,072,000
Working capital	582,000	582,000	582,000	582,000	582,000	582,000	582,000	582,000	582,000	582,000	582,000
Accumulated cash	-	403,230	816,218	1,239,810	1,674,899	2,122,418	2,571,349	3,041,922	3,535,220	4,052,379	4,594,592
Total assets	582,000	3,539,630	3,899,018	4,269,010	4,650,499	5,044,418	5,439,749	5,856,722	6,296,420	6,759,979	7,248,592
Financed by											
Equity	1,690,000	1,690,000	1,690,000	1,690,000	1,690,000	1,690,000	1,690,000	1,690,000	1,690,000	1,690,000	1,690,000
Accumulated profit	-	189,630	413,018	671,010	964,499	1,294,418	1,689,749	2,106,722	2,546,420	3,009,979	3,498,592
Total equity	1,690,000	1,879,630	2,103,018	2,361,010	2,654,499	2,984,418	3,379,749	3,796,722	4,236,420	4,699,979	5,188,592
Long term loan	1,500,000	1,200,000	900,000	600,000	300,000	-	0	0	0	0	0
Total debts	1,500,000	1,200,000	900,000	600,000	300,000	-	-	-	-	-	-
Total equity and debts	3,190,000	3,079,630	3,003,018	2,961,010	2,954,499	2,984,418	3,379,749	3,796,722	4,236,420	4,699,979	5,188,592

TERRAVISTA GROUP LIMITED FIXED ASSETS US\$

	1	2	3	4	5	6	7	8	9	10
Land And Buildings	2,500,000	2,450,000	2,400,000	2,350,000	2,300,000	2,250,000	2,200,000	2,150,000	2,100,000	2,050,000
Machinery, Tools & Equipment	80,000	79,200	78,400	77,600	76,800	76,000	75,200	74,400	73,600	72,800
Motor Vehicles	8,000	7,200	6,400	5,600	4,800	4,000	3,200	2,400	1,600	800
Furniture & Fixtures	20,000	18,000	16,000	14,000	12,000	10,000	8,000	6,000	4,000	2,000
Total	2,608,000	2,554,400	2,500,800	2,447,200	2,393,600	2,340,000	2,286,400	2,232,800	2,179,200	2,125,600
DEPRECIATION	1	2	3	4	5	6	7	8	9	10
Land and buildings	50,000	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00
Machinery tools & Equipment	800	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00
Motor Vehicles	800	800	800	800	800	800	800	800	800	800
Furniture & Fixtures	2,000	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2000	2000	2000
ANNUAL DEPRECIATION	53,600	53,600	53,600	53,600	53,600	53,600	53,600	53,600	53,600	53,600

