

Nine Continents Company Limited

Kibaha Industrial Park Development Business Plan

January 2026

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1. Executive Summary

1.1 Project Overview

This business plan presents a comprehensive proposal for the development of a modern Industrial Park located in Kibaha District, Misugusugu Ward, Vitendo Street, Pwani Region, Tanzania. The project is designed as a phased industrial real estate development targeting light manufacturing, assembly, logistics, and steel-related industries.

The Industrial Park responds to the growing demand for ready-built, professionally managed industrial facilities in areas surrounding Dar es Salaam, where industrial land availability and construction costs continue to rise.

1.2 Project Location Summary

Item	Description
District	Kibaha
Ward	Misugusugu
Street	Vitendo Street
Region	Pwani Region
Land Status	Lawfully owned farm land
Intended Use	Industrial Park Development
Strategic Advantage	Proximity to Dar es Salaam and major transport corridors

1.3 Development Structure (Phased Approach)

The project will be implemented in two distinct phases to optimize capital deployment, manage market risk, and allow early revenue generation.

Phase Development Summary

Phase	Development Components	Key Objective
Phase I	<ul style="list-style-type: none">• 3 factory buildings (45m × 80m each)• 3,000 m² office & dormitory complex	Early market entry and cash flow generation
Phase II	<ul style="list-style-type: none">• 6 additional factory buildings (45m × 80m each)	Capacity expansion after occupancy stabilization

1.4 Built-Up Area Summary

Component	Quantity	Area per Unit (m ²)	Total Area (m ²)
Factory Buildings Phase I	3	3,600	10,800
Factory Buildings Phase II	6	3,600	21,600
Office & Dormitories	1	3,000	3,000
Total Built-Up Area			35,400

1.5 Investment Summary

The total project investment is **USD 2.0 million**, allocated across the two phases as follows:

Investment Phase	Amount (USD)	Share of Total
Phase I	1,300,000	65%
Phase II	700,000	35%
Total Investment	2,000,000	100%

1.6 Target Market and Tenants

The Industrial Park is designed to attract a diversified mix of industrial users to reduce tenant concentration risk.

Target Tenant Category	Typical Activities
Light Manufacturing	Consumer goods, plastics, packaging
Steel & Metal Processing	Fabrication, cutting, assembly
Assembly Plants	Machinery, electrical and mobility components
Logistics & Warehousing	Distribution and storage
Agro-processing Support	Packaging and processing services

1.7 Revenue Model Overview

The project is structured to generate **stable and recurring income through multiple complementary revenue streams**:

Revenue Stream	Description
Factory Rental Income	Long-term leases of factory buildings
Service Charges	Security, maintenance, estate management
Ancillary Income (Future)	Yard space, shared services, utilities recovery

2. Project Background and Rationale

2.1 National and Economic Context

Tanzania is implementing a **private-sector-led industrialization agenda** aimed at expanding domestic manufacturing capacity, promoting value addition, and reducing dependence on imported finished goods. This policy direction has significantly increased demand for **well-planned industrial infrastructure**, particularly in locations close to Dar es Salaam.

Despite strong demand, many manufacturers continue to face structural constraints that limit expansion and discourage new entrants.

Key National Drivers

Driver	Description
Industrialization Policy	Emphasis on manufacturing, value addition, and export growth
Private Sector Growth	Increasing role of SMEs and foreign investors
Import Substitution	Demand for local production facilities
Urban Cost Pressure	Rising land and construction costs in Dar es Salaam

2.2 Existing Market Challenges

Manufacturers seeking to establish or expand operations in Tanzania often face multiple operational and financial challenges when developing standalone facilities.

Common Challenges Faced by Manufacturers

Challenge	Impact on Investors and Businesses
Long construction timelines	Delayed operations and revenue generation
High upfront capital costs	Increased financial strain and borrowing needs
Fragmented infrastructure	Higher costs for utilities and access roads
Unreliable utilities	Operational inefficiencies and downtime
Poor-quality factory sheds	Safety, compliance, and productivity risks
Lack of staff accommodation	High labor turnover and absenteeism

2.3 Project Rationale and Market Response

The proposed Industrial Park is specifically designed to address these market challenges by offering ready-built, standardized factory units supported by shared infrastructure and centralized estate management.

How the Project Responds to Market Gaps

Market Gap	Industrial Park Solution
High construction cost for individual factories	Shared development reduces per-unit cost

Delayed time-to-market	Ready-built factories enable rapid tenant onboarding
Infrastructure duplication	Centralized roads, drainage, and utilities
Maintenance burden	Professional estate management
Security concerns	Controlled access and centralized security
Workforce challenges	On-site office and dormitory facilities

2.4 Strategic Importance of Kibaha District

Kibaha District has emerged as one of the most attractive industrial expansion zones within the Pwani Region due to its **strategic positioning and enabling environment**.

Location Advantages of Kibaha

Factor	Strategic Advantage
Proximity to Dar es Salaam	Access to port, suppliers, and markets
Land availability	Lower acquisition cost compared to city zones
Road connectivity	Links to major national and regional highways
Labor availability	Access to skilled and semi-skilled workforce
Growth corridor	Increasing industrial and logistics developments

2.5 Rationale for Phased Development

Given the evolving nature of industrial demand, a **phased development strategy** is considered optimal for balancing risk, capital efficiency, and market responsiveness.

Benefits of the Phased Approach

Benefit	Description
Risk Management	Limits exposure during initial market entry
Capital Efficiency	Capital deployed in line with demand
Faster Cash Generation	Phase I generates early rental income
Demand Validation	Phase II triggered by actual occupancy
Financing Flexibility	Improved bankability and investor confidence

2.6 Strategic Fit with Investor Objectives

The project aligns well with both **real estate investors** and **industrial development financiers** seeking stable, long-term returns.

3. Master Plan and Development Layout

3.1 Master Planning Concept

The Industrial Park master plan is designed around a standardized, modular factory layout arranged in a grid configuration supported by internal access roads, drainage systems, and utility corridors. The planning philosophy prioritizes:

- efficient movement of heavy trucks and delivery vehicles
- clear fire access and emergency circulation
- separation of production, administration, and accommodation uses
- flexibility for phased expansion and future reconfiguration

This approach ensures that the Industrial Park remains functional, scalable, and compliant with industrial safety and operational requirements.

3.2 Planning Principles and Design Objectives

The master plan is guided by the following core principles:

Planning Principle	Description
Standardization	Uniform factory sizes for cost efficiency and ease of leasing
Accessibility	Internal roads sized for heavy vehicles and articulated trucks
Safety	Dedicated fire access lanes and emergency circulation
Efficiency	Logical placement of utilities and drainage corridors
Scalability	Layout allows future expansion without disrupting operations
Separation of Uses	Factory, office, and residential functions clearly zoned

3.3 Development Phasing within the Master Plan

The master plan accommodates **two development phases**, allowing infrastructure to be expanded in line with actual demand.

Phase Allocation Summary

Phase	Development Components	Planning Intent
Phase I	<ul style="list-style-type: none">• 3 factory buildings (45m × 80m each)• Office & dormitory complex (3,000 m²)	Establish core operations and early cash flow
Phase II	<ul style="list-style-type: none">• 6 additional factory buildings (45m × 80m each)	Expand capacity after demand validation

Phase II plots are pre-planned within the same grid to ensure seamless integration with existing infrastructure.

3.4 Factory Plot Configuration

Each factory plot is designed as a **stand-alone industrial unit** with direct access to internal roads and utilities.

Standard Factory Building Specifications

Item	Specification
Building Size	45m × 80m
Floor Area per Unit	3,600 m ²
Structural System	Steel frame with reinforced concrete slab
Access	Roller shutter doors and service entrances
Vehicle Access	Truck-friendly loading and unloading zones

3.5 Built-Up Area Summary (Full Development)

Component	Quantity	Area per Unit (m ²)	Total Area (m ²)
Factory Buildings – Phase I	3	3,600	10,800
Factory Buildings – Phase II	6	3,600	21,600
Office & Dormitory Complex	1	3,000	3,000
Total Built-Up Area			35,400

3.6 Office and Dormitory Placement Strategy

The **office and dormitory complex** is strategically positioned within the Industrial Park to:

- Serve as the administrative center of the estate
- Provide convenient accommodation for tenant staff
- Minimize commuting time and operational disruptions
- Enhance overall estate security and supervision

This facility improves the attractiveness of the park, especially for tenants operating **shift-based manufacturing activities**.

3.7 Internal Roads, Utilities, and Drainage Layout

The master plan incorporates a **centralized infrastructure system** serving all plots.

Infrastructure Components

Infrastructure Element	Description
Internal Roads	Designed for heavy truck circulation and turning radius
Drainage System	Stormwater channels aligned with plot grid
Utility Corridors	Power, water, and data lines routed centrally

5. Market Analysis

5.1 Overview of Industrial Market Demand in Tanzania

Demand for industrial space in Tanzania continues to expand, driven by manufacturing sector growth, import substitution policies, and export-oriented investment strategies. Government focus on industrialization, combined with private sector expansion, has increased the need for well-located, ready-built, and cost-efficient industrial facilities.

Dar es Salaam remains the country's primary commercial hub; however, rising land prices, congestion, and limited availability of suitable industrial plots have pushed businesses to seek alternative locations within surrounding districts such as Kibaha in Pwani Region.

5.2 Key Demand Drivers

The demand for industrial space is supported by several structural and economic factors.

Primary Demand Drivers

Demand Driver	Market Impact
Manufacturing Expansion	Increased need for production and assembly facilities
Import Substitution Policies	Growth in local manufacturing to replace imports
Export-Oriented Investment	Demand for compliant, scalable factory spaces
SME Industrial Growth	Rising number of small and medium manufacturers
Urban Cost Pressure	Relocation from high-cost Dar es Salaam zones
Infrastructure Improvements	Improved road connectivity in Pwani Region

5.3 Location Advantage: Kibaha District

Kibaha District has emerged as a **preferred industrial expansion zone** due to its strategic location and favorable cost structure.

Competitive Advantages of Kibaha

Factor	Advantage to Tenants
Proximity to Dar es Salaam	Access to port, suppliers, and markets
Lower Land and Rental Costs	Reduced operating expenses
Road Connectivity	Efficient movement of raw materials and finished goods
Available Industrial Land	Easier expansion and relocation
Labor Availability	Access to skilled and semi-skilled workforce
Growing Industrial Activity	Formation of industrial clusters

5.4 Target Tenant Segmentation

The Industrial Park is designed to accommodate a **diversified mix of tenants**, reducing dependency on a single sector and enhancing income stability.

Target Tenant Categories

Tenant Segment	Typical Activities	Space Requirements
Light Manufacturing	Plastics, consumer goods, packaging	Medium factory units
Steel & Metal Processing	Fabrication, cutting, assembly	Heavy-duty floor loading
Assembly Plants	Electrical, machinery, mobility components	Flexible layout
Logistics & Distribution	Storage and regional distribution	High access and yard space
Agro-Processing Support	Packaging, processing inputs	Hygiene-compliant spaces

5.5 Demand–Supply Gap Analysis

Despite growing demand, the supply of **ready-built, professionally managed industrial facilities** remains limited, particularly in peri-urban areas around Dar es Salaam.

Market Gap Assessment

Aspect	Current Market Situation	Project Advantage
Ready-Built Factories	Limited availability	Immediate occupancy
Infrastructure Quality	Often fragmented	Centralized infrastructure
Estate Management	Mostly absent	Professional park management
Flexibility	Custom-built only	Modular, scalable units
Time-to-Operate	12–24 months	Significantly reduced

6. Financial Plan and Projections

6.1 Overview of Project Investment

The total investment for the development of the Kibaha Industrial Park is **USD 2.0 million**, implemented through a phased development strategy to optimize capital deployment and reduce market risk.

Capital Investment Summary

Development Phase	Description	Investment (USD)	Share
Phase I	3 factory buildings + office & dormitories	1,300,000	65%
Phase II	6 additional factory buildings	700,000	35%
Total Project Investment		2,000,000	100%

Phase I focuses on early revenue generation and market entry, while Phase II expands capacity once occupancy and demand are validated.

6.2 Key Financial Assumptions

The financial projections are based on **conservative and market-aligned assumptions**, reflecting realistic operating conditions for industrial real estate developments in the Pwani / Dar es Salaam corridor.

Core Assumptions

Item	Assumption
Rental Basis	USD per m ² per month
Rent Growth	Gradual increase as occupancy stabilizes
Occupancy Growth	Phased ramp-up over first 3 years
Revenue Sources	Factory rent, office & dorm rent, service charges
Operating Costs	Staff, maintenance, insurance, common utilities
EBITDA Focus	Cash operating performance before financing

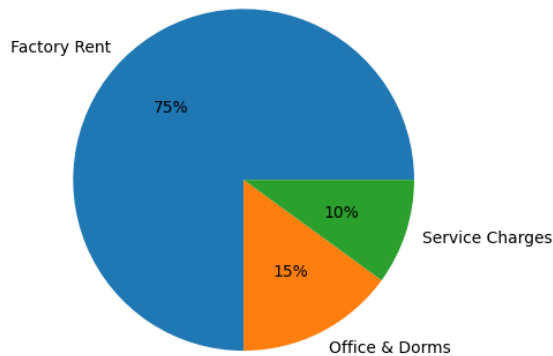
6.3 Revenue Structure

The Industrial Park generates income from diversified and complementary sources, reducing reliance on a single revenue stream.

Average Revenue Composition

Revenue Stream	Share of Total Revenue
Factory Rental Income	75%
Office & Dormitory Rentals	15%
Service Charges	10%
Total	100%

Average Revenue Composition



6.4 Operating Expense Structure

Operating expenses reflect the cost of running a professionally managed industrial estate.

Major Operating Cost Categories

Cost Category	Description
Staffing & Management	Park manager, administration, supervision
Security & Cleaning	Outsourced estate services
Maintenance & Repairs	Buildings, roads, drainage
Utilities (Common Areas)	Lighting, water, shared services
Insurance & Administration	Property insurance, audit, admin

Operating costs increase gradually in line with expanded facilities and higher occupancy levels.

6.5 Five-Year Financial Projections (Summary)

Projected Income Statement (USD)

Year	Revenue	Operating Expenses	EBITDA
Year 1	264,438	220,000	44,438
Year 2	696,618	290,000	406,618
Year 3	1,258,187	360,000	898,187
Year 4	1,497,830	395,000	1,102,830
Year 5	1,648,156	430,000	1,218,156

This projection reflects:

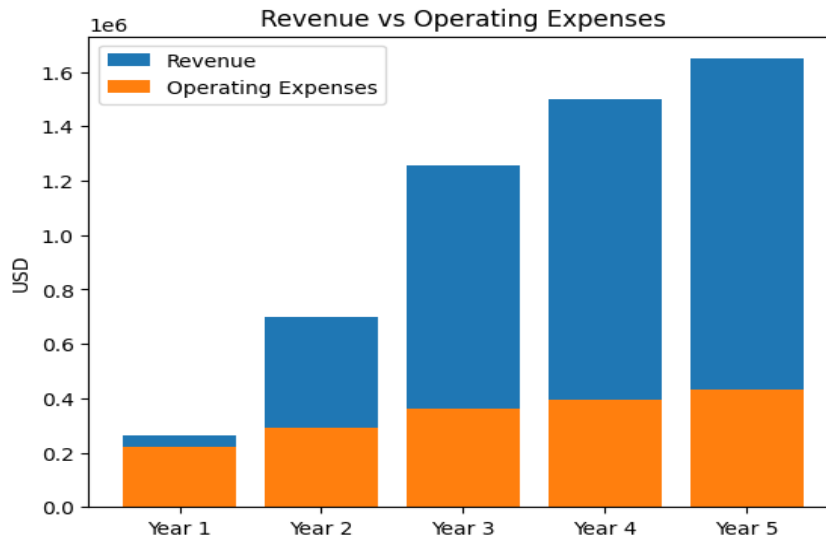
- early ramp-up in Year 1
- strong growth during Phase II commissioning
- stable, high-margin operations from Year 3 onward

6.6 Revenue vs Operating Expenses Analysis

As occupancy increases and Phase II factories are commissioned, revenue growth significantly outpaces operating cost growth.

Key Observations

- Operating costs grow gradually and remain controlled
- EBITDA margins expand substantially from Year 2 onward
- The estate benefits from economies of scale

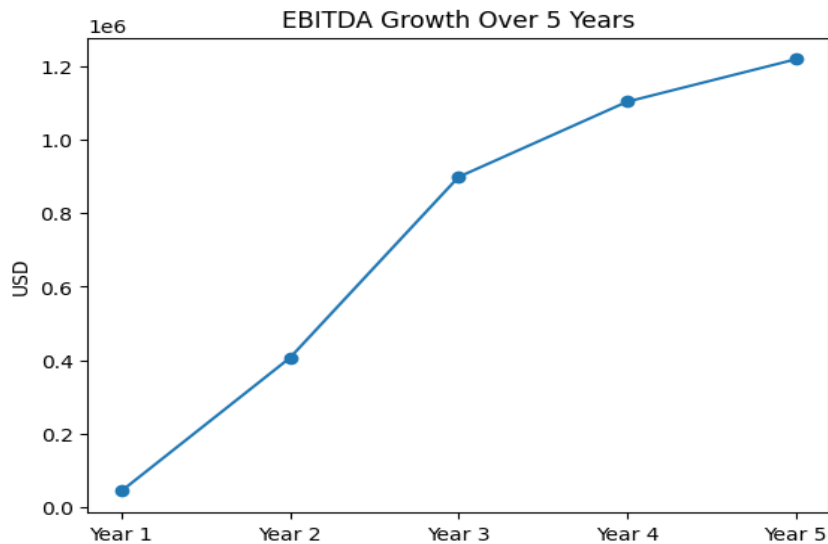


6.7 EBITDA Growth and Profitability Trend

The project achieves strong operating profitability as the Industrial Park reaches stabilized occupancy.

EBITDA Trend Highlights

- EBITDA turns meaningful from Year 2
- Strong operational leverage from standardized factory units
- High-margin recurring rental income model



6.8 Financial Sustainability and Cash Generation

The financial projections demonstrate that the Industrial Park:

- generates stable and predictable cash flows
- supports debt servicing where applicable
- creates a strong base for refinancing or expansion

The rental-based model ensures resilience against short-term market volatility, while the phased structure protects investor capital.

7. Risk Analysis and Mitigation Matrix

This chapter identifies the **key risks associated with the development, operation, and long-term sustainability** of the Kibaha Industrial Park and outlines **practical mitigation measures** to manage and reduce their potential impact.

The risk framework focuses on:

- development and construction risks
- market and commercial risks
- operational and infrastructure risks
- financial and regulatory risks

No.	Risk Category	Risk Description	Mitigation Measures
1	Construction	Construction cost escalation due to steel, cement, or labor price increases	Fixed-price or capped contracts; early bulk procurement of steel; phased construction; inclusion of contingency in CAPEX
2	Construction	Construction delays affecting project completion and tenant handover	Milestone-based contracts; performance bonds; strict supervision; parallel approvals and construction
3	Market	Slower-than-expected tenant uptake during early years	Phased development; pre-leasing strategy; competitive initial rents; active marketing to Dar es Salaam tenants
4	Market	Tenant concentration in a single sector or large tenant	Diversified tenant mix; lease exposure limits; staggered lease expiries
5	Infrastructure	Delays in electricity, water, or telecommunications connections	Early engagement with utility providers; phased utility rollout; provision for temporary or backup systems
6	Infrastructure	Poor internal road, drainage, or common area performance	Preventive maintenance plans; service charge funding; professional estate management
7	Financial	Cash flow pressure during initial occupancy ramp-up	Conservative revenue assumptions; phased CAPEX deployment; working capital reserves
8	Financial	Interest rate or financing cost increases	Conservative leverage; fixed or capped interest facilities; strong EBITDA coverage
9	Regulatory	Delays in land use, planning, or development approvals	Early engagement with authorities; clear land ownership verification; experienced consultants
10	Compliance	Environmental, fire safety, or occupational safety non-compliance	Environmental management plan; fire access compliance; routine inspections
11	Operational	Weak estate management affecting tenant satisfaction and retention	Dedicated park management team; service standards; tenant engagement mechanisms
12	Security	Theft, vandalism, or unauthorized access	Controlled access points; perimeter fencing; CCTV; professional security services

8.. Environmental and Social Considerations

8.1 Overview and Objectives

The development of the Kibaha Industrial Park is planned and implemented with due consideration to **environmental protection, social responsibility, and sustainable development principles**. The project seeks to minimize negative environmental impacts while maximizing positive socio-economic outcomes for the surrounding community.

The environmental and social approach is aligned with:

- Tanzanian environmental regulations and local authority requirements
- good international industrial development practices
- long-term sustainability of the Industrial Park

8.2 Environmental Management Measures

Environmental management is integrated into both the **construction phase** and **operational phase** of the project.

8.2.1 Site Planning and Drainage Management

Proper drainage design is critical to prevent flooding, soil erosion, and downstream impacts.

Measure	Description
Stormwater Drainage	Engineered drainage channels aligned with internal roads
Flood Prevention	Controlled runoff and discharge points
Soil Protection	Minimized excavation and controlled earthworks
Road Design	Sloped surfaces directing water to drainage systems

8.2.2 Waste Management

Waste will be managed in a structured and environmentally responsible manner.

Waste Type	Management Approach
Construction Waste	Segregation, reuse where possible, and licensed disposal
Industrial Waste	Tenant responsibility under park guidelines
General Solid Waste	Central collection points and scheduled removal
Hazardous Waste	Controlled handling in line with regulatory requirements

Tenants will be required to comply with **estate waste management rules** as part of their lease agreements.

8.2.3 Construction Phase Controls

Construction activities will follow controlled practices to minimize environmental disturbance.

Control Area	Mitigation Measures
Dust Control	Water spraying and covered material transport
Noise Management	Restricted working hours and equipment maintenance
Material Storage	Designated storage areas to prevent contamination
Site Cleanliness	Regular housekeeping and waste removal

8.3 Operational Environmental Practices

Once operational, the Industrial Park will maintain environmental standards through centralized estate management.

Key Operational Measures

Area	Practice
Utilities Use	Efficient distribution and monitoring
Energy Efficiency	Encouragement of efficient equipment and lighting
Maintenance	Preventive maintenance of drainage and roads
Environmental Monitoring	Periodic inspections and corrective actions

8.4 Social Impact and Community Engagement

13.4.1 Employment Creation

The project will contribute positively to local employment during both construction and operational phases.

Phase	Employment Impact
Construction Phase	Temporary jobs for skilled and semi-skilled labor
Operational Phase	Permanent jobs in management, security, maintenance
Tenant Operations	Indirect employment through tenant activities

Priority will be given to **local residents** where skills are available.

8.4.2 Skills Development and Economic Spillovers

The Industrial Park will support skills development and local economic activity through:

- exposure to industrial operations
- on-the-job training opportunities
- demand for local services and suppliers

This contributes to broader socio-economic development in Kibaha District.

8.5 Health, Safety, and Welfare

Health and safety are integral to both construction and operation.

Area	Measures
Construction Safety	PPE use, site induction, safety supervision
Fire Safety	Fire access roads, emergency clearances
Worker Welfare	Adequate sanitation and rest facilities
Emergency Response	Clear procedures and signage

8.6 Stakeholder and Community Relations

The project will maintain positive relations with surrounding communities and local authorities through:

- compliance with development conditions
- clear communication on construction activities
- prompt handling of complaints or concerns

A grievance-handling mechanism will be maintained by park management.

8.7 Environmental and Social Compliance

Aspect	Compliance Approach
Environmental Requirements	Adherence to national and local regulations
Occupational Safety	Compliance with workplace safety standards
Tenant Obligations	Environmental and safety clauses in lease agreements
Monitoring	Periodic internal reviews and inspections

9. Conclusion

The Kibaha Industrial Park represents a viable, scalable, and sustainable industrial real estate investment opportunity. With strong location fundamentals, phased execution, and diversified revenue streams, the project offers attractive long-term returns and asset value appreciation.

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