

ROYAL DIAMOND REAL ESTATE COMPANY LIMITED

BUSINESS PLAN



Mixed-Use Commercial & Residential Development

January 2026

Contents

- 1. Executive Summary..... 4**
 - Projected Revenue Composition 4**
- 2. Project Background, Rationale & Promoter Profile 5**
 - Urban Market Gap Analysis 5**
 - Key Urban Growth Drivers..... 5**
 - 2.1 Promoter Profile & Corporate Structure..... 6**
 - 2.2 Project Locations, Land Status & Development Concept 6**
 - Site Overview and Land Status 6**
 - 2.3 Integrated Master Development Concept 7**
 - Kimara Development – Floor Utilization 7**
 - Mwananyamala Development – Floor Utilization 7**
- 3.0. Market Analysis – Commercial & Residential Space 8**
 - Key Market Indicators 8**
 - Average Rental Rates 8**
 - 3.1 Competitive Positioning, Marketing Strategy & Operations Model 8**
 - Competitive Landscape Overview 9**
 - Competitive Positioning Analysis 9**
 - 3.2 Marketing, Leasing & Sales Strategy 9**
 - Marketing & Leasing Approach 9**
 - 3.3 Operations & Property Management Model.....10**
 - Operational Framework.....10**
- 4.0 Environmental & Social Considerations11**
 - 4.1 Environmental Management Measures11**
 - 4.2 Social Impact & Community Considerations11**
 - Environmental & Social Impact Focus12**
- 5.0 Risk Analysis & Mitigation Measures13**
 - 5.1 Risk Identification & Mitigation Matrix.....13**
- 6.0 Implementation Schedule & Milestones14**
 - 6.1 Implementation Phases & Milestones14**
 - Implementation Timeline (Illustrative)15**
- 7.0. Financial Projections & Analysis (5 Years)16**

Key Financial Assumptions	16
Projected Income Statement (USD)	16
Revenue & NOI Growth Trend	16
Operating Cost Structure	17
8.0. Conclusion & Way Forward	18
Way Forward	18

1. Executive Summary

This Business Plan outlines a comprehensive mixed-use real estate development to be implemented in Kimara Mavurunza and Mwananyamala, Dar es Salaam. The project combines commercial display space, warehouse and supermarket facilities, office space, and residential apartments within high-density urban locations that exhibit strong demand fundamentals. The investment is structured as a single integrated project implemented across multiple plots, enabling operational efficiency, unified management, and eligibility for national investment incentives.

The development comprises three strategically located plots as summarized below:

Location	Plot Size	Building Height	Primary Use
<i>Kimara Mavurunza</i>	≈1,800 sqm	7 Floors	Commercial / Retail / Warehouse
<i>Mwananyamala Plot 269</i>	Urban Plot	6 Floors	Commercial + Residential
<i>Mwananyamala Plot 260</i>	Urban Plot	Future Integration	Commercial Support

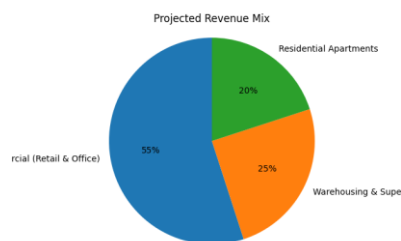
The project targets stable rental income, long-term asset appreciation, and diversification of income streams by integrating commercial and residential components. Commercial floors will generate consistent cash flows, while residential apartments provide income stability and risk diversification.

The promoters have executed land purchase agreements and are finalizing survey and plot registration processes. To strengthen the financial position of the project, the company has increased its share capital from TZS 500 million to TZS 5 billion. This capital enhancement significantly improves the project's bankability, creditworthiness, and capacity to absorb development risks.

A single Certificate of Incentives is proposed to cover all project locations, reflecting the unified nature of the investment. Separate derivative title deeds will be processed for each plot in full compliance with Tanzanian land laws, ensuring legal clarity while preserving the integrity of the overall investment framework.

Projected Revenue Composition

Based on the proposed design and market positioning, the anticipated revenue composition of the project is illustrated below:



2. Project Background, Rationale & Promoter Profile

Dar es Salaam is Tanzania’s principal commercial and financial centre, characterized by sustained population growth, rapid urbanization, and continuous expansion of retail and service industries. These trends have significantly increased demand for modern, well-organized commercial and residential premises. However, supply has not kept pace with demand, particularly in high-traffic urban corridors such as Kimara Mavurunza and Mwananyamala.

Existing developments in these areas are largely low-rise and fragmented, offering limited parking, inefficient layouts, and minimal professional management. This gap presents a clear opportunity for well-planned vertical developments that optimize land use while delivering secure, accessible, and professionally managed spaces.

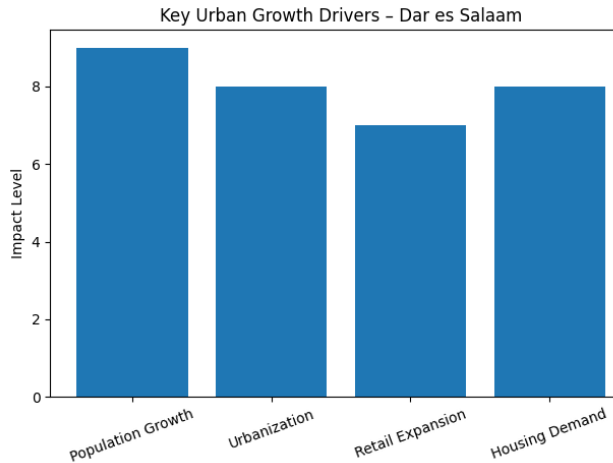
Urban Market Gap Analysis

<i>Aspect</i>	Current Situation	Project Response
<i>Commercial Space</i>	Limited modern supply	Multi-storey organized retail & office space
<i>Land Utilization</i>	Low-rise, inefficient use	Vertical mixed-use development
<i>Property Management</i>	Mostly informal	Centralized professional management
<i>Housing</i>	Shortage of quality apartments	Mid-market urban apartments

The rationale of this project is therefore to address these market gaps through an integrated mixed-use development model. By combining commercial, warehousing, office, and residential uses within the same investment framework, the project enhances occupancy resilience and generates stable cash flows across different economic cycles.

The project also aligns with national development priorities that encourage private sector-led urban development, efficient land utilization, and densification within existing serviced areas. Vertical development reduces urban sprawl while maximizing the economic value of strategically located land.

Key Urban Growth Drivers



The chart above highlights the key drivers supporting long-term demand for the proposed development. Population growth and urbanization remain the strongest contributors, reinforced by expanding retail activity and sustained demand for centrally located housing.

2.1 Promoter Profile & Corporate Structure

The project is promoted by a locally incorporated investment company established specifically to undertake real estate development, leasing, and long-term property management within Tanzania. The promoters possess relevant experience in investment structuring, regulatory compliance, and coordination with government authorities, including land administration and investment facilitation agencies.

The corporate structure is designed to support direct asset ownership, centralized management, and future scalability. This structure enables efficient decision-making, transparent governance, and the potential integration of additional projects under the same investment platform.

2.2 Project Locations, Land Status & Development Concept

This chapter provides a consolidated overview of the project locations, current land status, and the integrated development concept for the Kimara Mavurunza and Mwananyamala sites. Although the sites are geographically distinct, they are developed as complementary components of a single investment project, unified by design principles, management structure, and long-term investment objectives.

Site Overview and Land Status

Location	Plot Reference	Approx. Size	Current Status	Planned Development
<i>Kimara Mavurunza</i>	Plot number pending	≈1,800 sqm	Sale agreement signed; survey ongoing	7-storey commercial building
<i>Mwananyamala Block 4</i>	Plot 269	Urban plot	Sale agreement completed	Commercial + residential
<i>Mwananyamala Block 4</i>	Plot 260	Urban plot	Designated for integration	Commercial support / expansion

The Kimara site benefits from frontage along a high-traffic corridor, making it suitable for retail, showrooms, offices, and supermarket operations. The Mwananyamala plots are located in a dense urban neighborhood with strong demand for both commercial services and residential accommodation.

2.3 Integrated Master Development Concept

The master development concept emphasizes vertical development to optimize land use, efficient circulation systems, flexible internal layouts, and clear separation between commercial and residential access. Both developments are designed to support anchor tenants, ensure ease of movement for users, and facilitate long-term maintenance and operational efficiency.

Kimara Development – Floor Utilization

Floor Level	Primary Use	Key Design Features
<i>Ground Floor</i>	Retail / Supermarket	High visibility, loading access
<i>1st–6th Floors</i>	Display rooms & offices	Flexible subdivision, high ceilings
<i>7th Floor</i>	Commercial use	Support services / premium tenants

Mwananyamala Development – Floor Utilization

Floor Level	Primary Use	Access & Design Notes
<i>Ground–2nd Floors</i>	Commercial display & offices	Direct street access
<i>3rd–5th Floors</i>	Residential apartments	Separate residential access & services

This integrated design approach ensures efficient land utilization, diversified income streams, and enhanced asset value over the long term, while maintaining compliance with urban planning and building standards.

3.0. Market Analysis – Commercial & Residential Space

The market for commercial and residential real estate in Dar es Salaam continues to demonstrate strong fundamentals driven by population growth, urbanization, and expansion of retail and service industries. Kimara Mavurunza and Mwananyamala are among the most active urban corridors, characterized by high population density, strong foot traffic, and proximity to major transport routes.

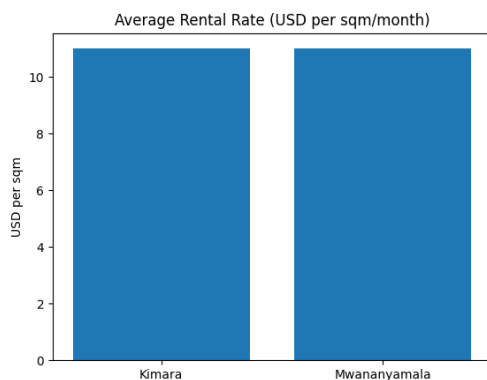
Demand for organized commercial space in these areas is primarily driven by retailers, wholesalers, service providers, supermarkets, and office users seeking visibility, accessibility, and proximity to end consumers. At the same time, demand for residential apartments remains robust due to limited supply of modern housing within central urban locations.

Key Market Indicators

Indicator	Kimara	Mwananyamala	Remarks
<i>Population Density</i>	High	Very High	Supports retail & housing demand
<i>Traffic Flow</i>	High	High	Good visibility for businesses
<i>Modern Space Supply</i>	Limited	Limited	Creates pricing power
<i>Tenant Profile</i>	Retail, Office	Retail, Office, Residential	Diversified demand

Rental levels for quality commercial and residential space in both locations average approximately USD 11 per square meter per month. This rate is considered affordable for tenants while providing attractive returns to the developer, particularly given the limited supply of comparable modern space.

Average Rental Rates



The combination of strong demand, limited supply, and strategic locations supports high occupancy levels over the medium to long term. The project’s mixed-use nature further reduces vacancy risk by diversifying income streams across commercial and residential tenants.

3.1 Competitive Positioning, Marketing Strategy & Operations Model

This chapter presents a consolidated assessment of the competitive landscape, marketing and leasing strategy, and the operational and property management framework for the project. These three elements

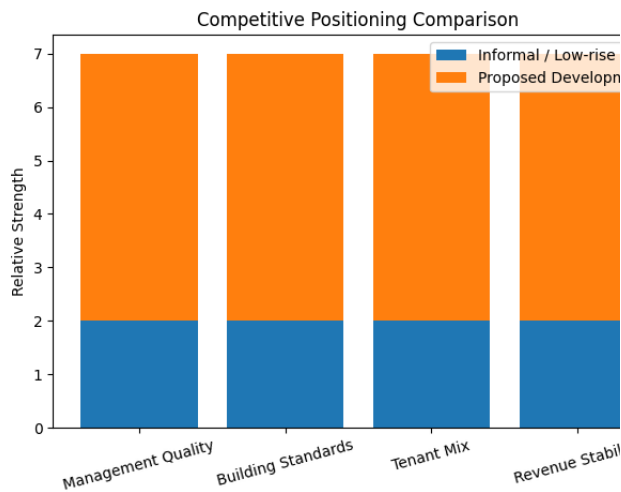
are closely linked, as competitive differentiation drives tenant demand, which in turn informs leasing strategy and long-term operational efficiency.

Competitive Landscape Overview

Aspect	Informal / Low-Rise Developments	Proposed Project	Competitive Advantage
<i>Building Scale</i>	Low-rise, fragmented	Mid-rise, integrated	Efficient land use
<i>Management</i>	Owner-managed, informal	Professional property management	Operational efficiency
<i>Tenant Mix</i>	Single-use, unplanned	Mixed-use, diversified	Revenue resilience
<i>Facilities</i>	Basic services	Modern utilities & services	Tenant retention

The project differentiates itself from existing developments primarily through scale, professional management, and integration of commercial and residential uses. This positioning enables the project to attract higher-quality tenants, achieve more stable occupancy, and command sustainable rental rates.

Competitive Positioning Analysis



The chart above illustrates the relative strengths of the proposed development compared to informal and low-rise properties prevalent in the surrounding areas. The proposed project demonstrates superior performance across management quality, building standards, tenant diversity, and revenue stability.

3.2 Marketing, Leasing & Sales Strategy

The marketing and leasing strategy is designed to secure early occupancy, attract anchor tenants, and establish the development as a preferred destination for retail, office, and residential users. Pre-leasing efforts will prioritize anchor commercial tenants such as supermarkets, pharmacies, and established retailers to drive foot traffic and enhance project visibility.

Marketing & Leasing Approach

Stage	Strategy	Expected Outcome
<i>Pre-Construction</i>	Anchor tenant engagement	Early commitment & market

		confidence
<i>Construction Phase</i>	Phased marketing & branding	Advance leasing
<i>Post-Completion</i>	Targeted promotions	Stabilized occupancy

Pricing will remain competitive while reflecting the superior quality and management of the development. Phased tenant onboarding allows operational systems to scale efficiently and minimizes vacancy risk.

3.3 Operations & Property Management Model

The properties will be operated under a centralized property management model to ensure consistency, cost control, and service quality. Core management functions will be overseen in-house, while specialized services such as security, cleaning, and maintenance will be outsourced to qualified service providers under performance-based contracts.

Operational Framework

<i>Function</i>	Management Approach	Objective
<i>Property Management</i>	Centralized oversight	Consistency & efficiency
<i>Maintenance</i>	Preventive maintenance program	Asset preservation
<i>Security & Cleaning</i>	Outsourced services	Safety & cleanliness
<i>Tenant Relations</i>	Dedicated management team	High tenant retention

Preventive maintenance systems, tenant engagement protocols, and regular performance monitoring will be implemented to preserve asset value, minimize operating disruptions, and sustain long-term financial performance.

4.0 Environmental & Social Considerations

This chapter outlines the environmental and social considerations integrated into the planning, construction, and operational phases of the project. The development is designed to promote efficient land use, minimize environmental impacts, support urban employment creation, and contribute positively to surrounding communities in Kimara Mavurunza and Mwananyamala.

The project aligns with national development objectives that encourage sustainable urban development, private sector participation, and improved quality of the built environment. Environmental and social management measures are incorporated as core components of the project rather than as standalone compliance requirements.

4.1 Environmental Management Measures

Area	Key Measures	Intended Outcome
<i>Land Use Efficiency</i>	Vertical development, optimized plot coverage	Reduced urban sprawl
<i>Construction Management</i>	Dust control, noise management, regulated working hours	Minimal disturbance
<i>Waste Management</i>	Segregation, licensed disposal, recycling where possible	Reduced pollution
<i>Water & Drainage</i>	Proper drainage design, rainwater management	Flood risk mitigation
<i>Energy Use</i>	Efficient lighting & ventilation systems	Lower operating emissions

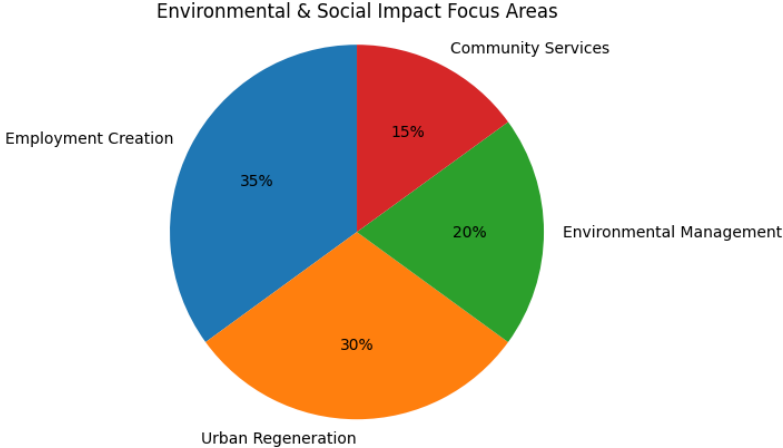
Construction activities will comply with applicable environmental regulations and best practices. Contractors will be required to implement environmental management plans addressing dust suppression, noise control, waste handling, and site safety. During operations, continuous monitoring will ensure that environmental standards are maintained.

4.2 Social Impact & Community Considerations

Aspect	Project Contribution	Social Benefit
<i>Employment</i>	Construction & permanent jobs	Income generation
<i>Local Businesses</i>	Retail & service space	Economic stimulation
<i>Urban Aesthetics</i>	Modern building design	Improved streetscape
<i>Housing</i>	Urban residential apartments	Reduced housing pressure
<i>Safety</i>	Organized premises & security	Safer environment

The project will generate employment during both construction and operational phases, with priority given to local labor where feasible. By providing organized commercial space and residential units, the development contributes to local economic activity and improves the overall quality of urban life.

Environmental & Social Impact Focus



The chart above illustrates the primary areas of environmental and social impact expected from the project. Employment creation and urban regeneration represent the most significant contributions, supported by environmental management practices and community-oriented services.

Overall, the project is expected to deliver positive environmental and social outcomes while remaining commercially viable. Through responsible design, construction practices, and professional property management, the development will contribute meaningfully to sustainable urban growth in Dar es Salaam.

5.0 Risk Analysis & Mitigation Measures

This chapter identifies the key risks associated with the development, construction, and operation of the mixed-use project and outlines the mitigation measures adopted to manage these risks. The risk management approach is designed to protect project value, ensure continuity of operations, and enhance the confidence of lenders, investors, and regulators.

Risks have been assessed across the full project lifecycle, including pre-construction, construction, and operational phases. Mitigation strategies emphasize proactive planning, conservative financial assumptions, professional management, and phased implementation.

5.1 Risk Identification & Mitigation Matrix

Risk Category	Description	Potential Impact	Mitigation Measures
<i>Construction Delays</i>	Delays arising from contractor performance, supply chain issues, or weather conditions	Extended completion period and delayed rental income	Use of experienced contractors, phased construction, realistic timelines, and close supervision
<i>Cost Escalation</i>	Increase in construction material or labor costs	Pressure on project budget and returns	Contingency budgeting, fixed-price contracts where feasible, and value engineering
<i>Vacancy / Leasing Risk</i>	Slower-than-expected tenant uptake	Reduced cash flow during early years	Pre-leasing strategy, anchor tenant engagement, competitive pricing, phased occupancy
<i>Regulatory & Approval Delays</i>	Delays in permits, approvals, or land registration	Construction start delays	Early engagement with authorities, compliance-focused documentation, professional facilitation
<i>Operational Risks</i>	Inefficient property management or service disruptions	Tenant dissatisfaction and higher turnover	Professional property management, outsourced services, preventive maintenance systems
<i>Market & Economic Risks</i>	Changes in economic conditions affecting demand	Pressure on rental rates and occupancy	Diversified tenant mix, mixed-use model, conservative revenue assumptions

The project's mixed-use structure, combining commercial and residential components, provides natural risk diversification. This reduces exposure to fluctuations in any single market segment and enhances the stability of long-term cash flows.

Overall, the identified risks are considered manageable and typical for projects of this nature. With the proposed mitigation measures in place, the project is well-positioned to achieve its development and financial objectives while maintaining controlled risk exposure.

6.0 Implementation Schedule & Milestones

This chapter outlines the proposed implementation schedule and key milestones for the development of the mixed-use commercial and residential project. The schedule is structured to allow for orderly progression from land titling and statutory approvals through construction, commissioning, and phased leasing, ultimately leading to stabilized operations.

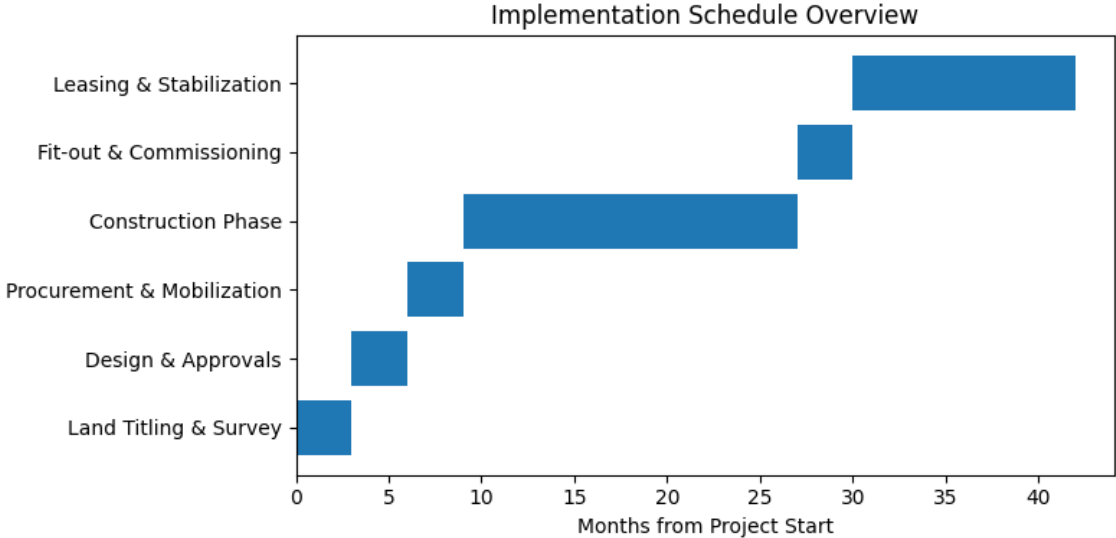
The implementation approach emphasizes risk management, regulatory compliance, and efficient capital deployment. Activities are sequenced to minimize delays, allow parallel processing where feasible, and ensure readiness for revenue generation upon completion.

6.1 Implementation Phases & Milestones

<i>Phase</i>	<i>Key Activities</i>	<i>Indicative Duration</i>	<i>Key Deliverables</i>
<i>Land Titling & Survey</i>	Survey works, plot numbering, derivative title processing	0–3 months	Registered plots and secure land tenure
<i>Design & Approvals</i>	Architectural design, engineering, statutory approvals	3–6 months	Approved building permits
<i>Procurement & Mobilization</i>	Contractor selection, procurement of materials	6–9 months	Mobilized construction teams
<i>Construction Phase</i>	Structural works, building construction	9–27 months	Completed building structures
<i>Fit-out & Commissioning</i>	Internal finishes, MEP installations, testing	27–30 months	Operational-ready buildings
<i>Leasing & Stabilization</i>	Tenant onboarding, phased occupancy	30–42 months	Stabilized rental income

Construction activities are expected to span approximately 18 to 24 months, depending on sequencing between the Kimara and Mwananyamala developments. Phased leasing will commence prior to full completion to accelerate cash flow generation and reduce vacancy risk.

Implementation Timeline (Illustrative)



The illustrative timeline above demonstrates the logical sequencing of project activities. Early completion of land titling and approvals is critical to maintaining momentum, while phased leasing supports early revenue generation and smoother transition into stabilized operations.

Overall, the implementation schedule is realistic and achievable, reflecting the scale and complexity of the project while incorporating sufficient flexibility to manage unforeseen delays without compromising long-term objectives.

7.0. Financial Projections & Analysis (5 Years)

This section presents a detailed five-year financial projection for the mixed-use development. The projections are based on conservative assumptions aligned with prevailing Dar es Salaam market conditions, including an average rental rate of USD 11 per square meter per month for both commercial and residential space, phased occupancy, and controlled operating costs.

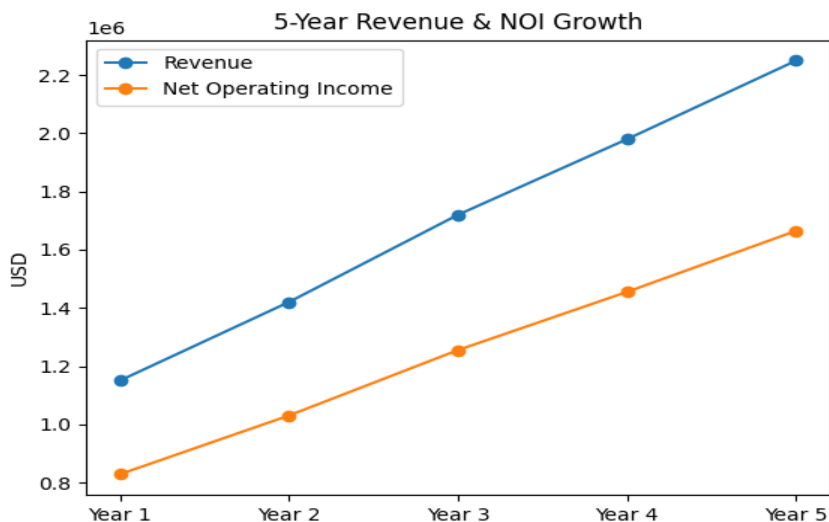
Key Financial Assumptions

Assumption	Value
Average Rent	USD 11 / sqm / month
Occupancy	70% Y1, 80% Y2, 90% Y3–Y5
Annual Escalation	5%
Operating Expense Ratio	25–30% of Revenue

Projected Income Statement (USD)

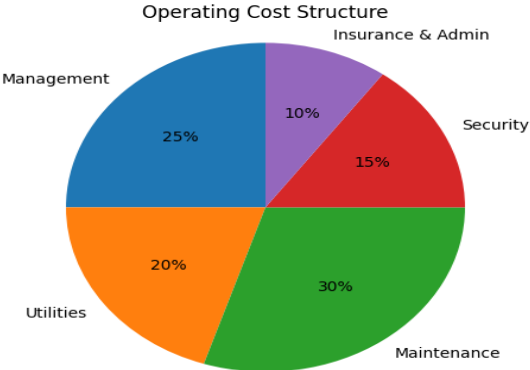
Year	Gross Revenue	Operating Expenses	Net Operating Income
Year 1	1,150,000	322,000	828,000
Year 2	1,420,000	390,000	1,030,000
Year 3	1,720,000	465,000	1,255,000
Year 4	1,980,000	525,000	1,455,000
Year 5	2,250,000	585,000	1,665,000

Revenue & NOI Growth Trend



The chart above illustrates steady revenue growth driven by increasing occupancy and annual rent escalation. Net Operating Income follows a similar upward trend, reflecting efficient cost management and economies of scale as the project stabilizes.

Operating Cost Structure



Operating expenses are diversified across management, utilities, maintenance, security, and administrative costs. Maintenance represents the largest share, reflecting the importance of asset preservation in maintaining long-term property value.

Based on these projections, the project is expected to achieve an indicative internal rate of return (IRR) of approximately 18–22%, with a payback period of 5–6 years after stabilization, making it an attractive long-term investment.

8.0. Conclusion & Way Forward

This mixed-use commercial and residential development represents a strategically conceived, financially sound, and implementation-ready investment aligned with Dar es Salaam's continuing urban expansion and evolving real estate demand. By integrating modern commercial facilities with residential accommodation across well-located urban sites in Kimara Mavurunza and Mwananyamala, the project responds directly to market gaps in organized retail space, professional office environments, warehousing, and quality urban housing.

The project's strength lies in its integrated planning approach, which combines efficient land utilization through vertical development, diversified income streams, and professional design standards. The separation of commercial and residential functions within a unified development framework enhances operational efficiency, tenant convenience, and long-term asset performance. This structure also provides resilience against market fluctuations by balancing exposure across multiple tenant categories and uses.

From a development and execution perspective, the project demonstrates a high level of readiness. Land acquisition processes are well advanced, design concepts are clearly defined, and the implementation strategy is phased to manage risk, optimize capital deployment, and allow early revenue generation through phased leasing. The construction timeline is realistic and supported by prudent assumptions, while the operational framework emphasizes professional property management, preventive maintenance, and tenant relationship management to safeguard asset value.

Financially, the development is underpinned by conservative assumptions, stable projected cash flows, and diversified revenue sources. The combination of commercial and residential rental income supports predictable performance over the long term, while disciplined cost management and phased delivery enhance overall financial sustainability. These characteristics position the project as an attractive opportunity for equity participation and debt financing alike.

Beyond commercial considerations, the project is expected to contribute positively to the surrounding urban environment. It will generate employment during both construction and operational phases, support local businesses, improve neighborhood aesthetics, and promote orderly urban development. The emphasis on modern building standards, organized premises, and responsible management aligns the project with broader objectives of sustainable urban growth and improved quality of life.

Way Forward

The way forward focuses on completing the remaining preparatory activities, advancing into construction, and executing a structured leasing strategy to achieve stabilized operations. Immediate priorities include finalization of land registration processes, completion of detailed designs and statutory approvals, and procurement of construction contractors. Construction will then proceed in a phased and controlled manner, allowing parallel preparation for tenant onboarding and operational readiness.

As the project transitions from development to operation, attention will shift toward active marketing, tenant acquisition, and establishment of long-term property management systems. With these steps executed in sequence, the development is well positioned to achieve full operational maturity and deliver sustained returns.

In conclusion, this project stands as a robust, well-planned, and forward-looking real estate investment that balances commercial viability with long-term urban value. It is ready to move confidently into

implementation and to deliver lasting benefits to investors, tenants, and the broader Dar es Salaam urban landscape.