

WISTAS RESIDENCE LIMITED
APPLICATION FOR TIC PROJECT
REGISTRATION
FIVE YEARS BUSINESS PLAN – TABLE OF CONTENTS

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1. EXECUTIVE SUMMARY

The Wistas Residence Expansion Project seeks to increase the hotel's capacity, improve service offerings, and enhance competitiveness within the rapidly growing hospitality market in Dar es Salaam. Located in Sinza, Ubungo Municipality, the project involves expanding the existing 53-room facility by adding 40 new rooms, upgrading amenities, and modernizing core operational infrastructure. The expansion is strategically positioned to respond to rising demand from business travelers, conference guests, transit passengers, and domestic tourists.

The total project investment is estimated at **TZS 2.3 billion**, to be financed through a combination of owner's equity and a bank loan. The project's financial forecast indicates strong viability, highlighted by a **positive Net Present Value (NPV)**, a robust **Internal Rate of Return (IRR)** substantially above the cost of capital, and a favorable payback period. The revenue model incorporates room sales, food and beverage operations, conference facilities, and ancillary services.

In addition to financial benefits, the project will generate employment opportunities, stimulate local business linkages, and contribute to government revenue through taxes and levies. The proposed expansion supports Tanzania's tourism development agenda by improving accommodation standards and increasing capacity to serve international and domestic visitors.

This feasibility study concludes that the Wistas Residence Expansion Project is financially attractive, socially impactful, operationally feasible, and fully aligned with TIC's investment facilitation objectives. The project is therefore recommended for TIC registration and support.

2. WISTAS RESIDENCE LTD – HOTEL EXPANSION PROJECT

Wistas Residence Ltd is a privately-owned limited liability company duly registered under the Business Registrations and Licensing Agency (BRELA) in the United Republic of Tanzania. The company operates in the hospitality industry, with its core business centered on hotel accommodation and related services.

Wistas Residence Hotel is a reputable and well-established hospitality facility located in the peaceful Sinza Kivulini neighborhood, just off Sam Nujoma Road in Dar es Salaam. Its prime location near prominent landmarks such as Mlimani City Shopping Center and the University of Dar es Salaam provides both convenience and accessibility for guests. The hotel is known for offering a tranquil and comfortable environment, making it a preferred choice for both local and international travelers.

Established in 2010, Wistas Residence began operations with just seven rooms, guided by a vision to provide personalized, affordable, and high-quality bed-and-breakfast services. Over the years, the hotel has experienced consistent growth, expanding to a current capacity of 53 rooms. With over a decade of successful operations, Wistas has developed a strong brand presence, maintained high occupancy rates, and built a loyal customer base.

Building on this success, Wistas Residence Ltd is now embarking on a strategic expansion initiative. The proposed project involves the construction of 40 additional apartment-style rooms and the development of a full-service restaurant. This expansion aims to meet the growing demand for high-quality hospitality services in Dar es Salaam, particularly from the business, academic, and tourism sectors.

This expansion marks a critical milestone in Wistas Hotel's growth journey and aligns with national goals of stimulating local investment, creating employment opportunities, and supporting the tourism and hospitality sector in Tanzania.

The total estimated investment for this expansion is **TZS 2.3 billion** (Tanzanian Shillings Two Billion Three Hundred Million Only), equivalent to **USD 884,615**. The capital structure will include local equity participation, and the project seeks registration with the **Tanzania Investment Centre (TIC)** to facilitate access to incentives and support services, in line with its investment scale and foreign shareholding component.

Once fully operational, the expanded hotel facility is projected to achieve an average daily rate of **TZS 150,000 per room**, with an expected occupancy rate of **90%**, contributing significantly to monthly revenue generation. The project will also create direct employment for approximately **50 individuals**, in addition to supporting numerous small-scale local suppliers through the provision of goods and services to the hotel.

Designed with a strong commitment to environmentally sustainable practices, the expansion will adhere to modern ecological and energy-efficient standards. Further details regarding the technical, financial, and operational aspects of the project are outlined in the subsequent sections of this feasibility study.

New Hotel Apartment Development Will involve the construction of a new four-storey building featuring 40 additional hotel apartment rooms along with other modern amenities. Wistas Residence Limited has secured a 15-year long-term land lease for the development and operation of its hotel business. The proposed expansion will be undertaken on Plot No. 715 and 716, Block “A”, located in Sinza, Ubungo Municipality, Dar es Salaam, directly adjacent to the existing hotel premises.

Wistas Residence Apartment Hotel will offer a unique blend of apartment-style living with the convenience of hotel services. Each unit will be fully furnished and equipped with modern amenities, including housekeeping and concierge services. Designed to accommodate both short-term and extended stays, the residence will provide guests with more space, privacy, and the flexibility of self-catering facilities – ideal for those seeking a comfortable, home-like environment while traveling. Our primary target market includes individuals and families requiring long-term accommodation or those who prefer the comfort and convenience of a residential-style stay

2.1 TIC Project Justification

The Wistas Residence Expansion Project meets the key criteria for TIC registration based on its strategic relevance, economic contribution, and alignment with national development priorities:

2.1.1 Alignment with National and Sectoral Priorities

- Supports Tanzania’s efforts to increase tourism capacity and competitiveness.
- Enhances hospitality infrastructure in Dar es Salaam—a key business and travel hub.
- Contributes to the goals of the Tanzania Five-Year Development Plan (FYDP III) and Tourism Master Plan through private-sector-led investment.

2.1.2 Contribution to Economic Growth

- Expands room capacity and service offerings, enabling increased visitor spending.
- Encourages local procurement from SMEs, thereby stimulating local value chains.
- Increases government revenue through VAT, corporate tax, PAYE, SDL, and local levies.

2.1.3 Job Creation and Skills Development

- Directly creates new employment opportunities in hospitality, housekeeping, security, administration, and maintenance.
- Indirect jobs created through suppliers, transporters, laundry services, food supply chains, and local artisans.

- Offers on-the-job training and skill development in the tourism and hospitality sector.

2.1.4 Capital Investment and Modernization

- Introduces modern room designs, energy-efficient systems, ICT improvements, and upgraded conference facilities.
- Enhances Dar es Salaam's capacity to host conferences, retreats, and events, supporting the growing MICE (Meetings, Incentives, Conferences, and Exhibitions) market.

Given these contributions, the project is well-suited for TIC registration and eligibility for investment facilitation benefits.

2.2. Project Objectives

Objective on Local Economy and Tourism

The expansion of **Wistas Residence Hotel** aims to make a meaningful contribution to both the **local economy** and the **tourism sector** of Dar es Salaam and Tanzania at large. The project seeks to enhance accommodation capacity, service quality, and employment opportunities within the hospitality industry, while promoting local enterprise development and sustainable tourism growth.

2.2.1. Contribution to the Local Economy

- **Employment Creation:** The project will create direct and indirect employment opportunities during both construction and operational phases, engaging local contractors, artisans, suppliers, and service providers.
- **Support for Local Suppliers:** Wistas Residence will continue to source fresh produce, building materials, furniture, and other supplies from local producers and traders—stimulating income generation within the surrounding community.
- **Skills Development:** Through on-the-job training and internships, the project will enhance the skills and professionalism of local workers in hospitality management, customer service, and technical trades.
- **Tax Revenue and Investment Attraction:** The project will increase local tax contributions and demonstrate investor confidence in the tourism sector, encouraging further private-sector participation.

2.2.2. Promotion of Tourism Development

- **Improved Accommodation Capacity:** By adding 40 new rooms and upgrading facilities, Wistas Residence will help meet the growing demand for quality accommodation from business travelers, conference guests, and leisure tourists.
- **Enhanced Visitor Experience:** The expanded hotel will introduce modern amenities such as improved conference facilities, restaurants, and leisure spaces, promoting Dar es Salaam as a comfortable and attractive destination.
- **Integration with Local Tourism Value Chain:** The hotel will collaborate with local tour operators, transport providers, and cultural tourism programs to promote city and coastal attractions.
- **Sustainable and Responsible Tourism:** The project promotes eco-friendly operations, efficient energy and water use, and waste reduction measures, aligning with Tanzania's sustainable tourism goals.

2.3 Project Goals

Financial Viability and Profitability: Achieve a defined Return on Investment (ROI) within **3-5 years**, Achieve 90 % rate revenue and occupancy goals on year 3, ensuring operational profitability from day one.

Timely Completion of Construction: To ensure that the construction of the hotel is completed within budget and on schedule. To develop contingency plans to manage any unexpected delays or budget overruns.

Regulatory Compliance and Safety: Meet all building, health & safety requirements and ensure the hotel operates legally and safely, to secure all necessary permits and certifications before opening.

3. LEGAL AND INSTITUTIONAL FRAME WORK

Registered Office

Sinza Kivulini
P.O.Box 31187,
Dar Es Salaam, .
Tanzania

Project Site

Plot Number no.715 & 716

Block "A" At Sinza

Ubungo Municipality;

Dar Es Salaam.

Incorporation

Certificate of incorporation number 141650874

Date of Incorporation 9TH MAY 2020

TRA Tax Payers Identification Number (TIN)

141-650-874 Date of issue **17 March 2022**

TRA Value Added Tax (VAT) Certificate

VAT No 40-305183-G Date of Issue **21 JUNE 2022**

Environmental Certificate Number :

On process

Date of Issue

Certificate of Title for Project Site

Project Site

Plot Number no.715 & 716

Block "A" At Sinza

Ubungo Municipality;

Dar Es Salaam.

4. BUSINESS BACKGROUND AND EXPERIENCE OF FOUNDERS

4.1 Our Story

In 2010, Wilfred and Stella the Wistas Hotel founders returned home to Tanzania after completing postgraduate studies in England, their intention was to find a place to live in Dar es Salaam, the biggest challenge they encountered was finding a hotel room every time they came from Arusha to Dar Es Salaam, they had to make a booking 3 days before, leave alone the standards of the rooms

and services were below the standards compared to England where they were living, later they managed to buy an area in the Sinza with the intention of build a family house . Luckily, Stella got a job in Nairobi, Kenya, family had to move to Kenya, that's when the idea of building a hotel instead of family house in Sinza's came, and Wistas Inn Hotel was officially born

4.2 Experience Of Founders

The project is the brain child of local investor who have acquired vast experience in hospitality industry by working in local and international hospitality industry mining as follows:

4.2.1 WILFRED MALIOMBE MINJA (Managing Director)

Graduate with Masters in Business Administration (MBA) in finance and 17 years successful working experience on trade industry and management.

Wilfred has been a dedicated Wistas Residence Managing Director with more than 17 years of experience providing clients with the highest degree of hospitality and customer service by ensuring that facilities meet and exceed expectations. Wilfred is a Strong leader possessing outstanding work ethic and integrity, He is always dedicated to meeting budget and meticulously documenting financials. He Manages by leading and showing staff the rewards of pushing past their own expectations to provide the best work possible

Wilfred has been the MD of the hotel since its inception with initial 10 rooms, Through his leadership and vision, Wistas Residence has undergoing rapid expansion and transformation, from 10 rooms to current 50 rooms , Wistas Residence has become the most convenient place to stay in Dar es Salaam.

Education Background, 2004 Completed MBA at Charles Stuart University (London-U.K) The program focused on financial management, international trade, international finance, as well as financial trading.

1996, Competed Advance Diploma in Business Administration at Mzumbe University. (Morogoro-Tanzania)

4.2.3. STELLA CLARA MASSAWE (MINJA IS A MARITAL SURNAME) (Director)

Stella is a dedicated, creative, agile, and dependable international development professional with 23 years of experience in strategic planning, programme design, implementation and monitoring, and evaluation. She also has excellent knowledge management and technical report writing skills (including donor reporting). Her extensive knowledge and experience of working at the

continental, regional, and national levels cut across 20 countries in both Anglophone and Francophone Sub-Saharan Africa.

As hotel business leader Stella is a results-oriented hotel manager with 17 years of experience, skilled in driving operational excellence, maximizing guest satisfaction, and achieving financial goals through strategic planning and effective team leadership. Proven track record in managing all aspects of hotel operations, including front desk, housekeeping, and food & beverage services, while fostering a culture of exceptional customer service

Education Background Master of Science Degree (M.Sc.) in Natural Resources Management from the International Institute of Geo-information Science and Earth Observation (ITC), part of the University of Twente, the Netherlands Bachelor of Arts and Social Sciences Degree at the University of Dar es Salaam, Dar es Salaam Tanzania.

5. DESCRIPTION OF THE BUSINESS

Wistas Residence Apartment Hotel, also known as a serviced apartment, is a unique accommodation concept that seamlessly blends the comfort and space of a fully furnished apartment with the convenience and services of a traditional hotel. Each unit is thoughtfully designed to provide guests with a spacious, private living environment, complete with modern furnishings and essential home amenities.

The serviced apartments will offer a comprehensive range of hotel-like services, including housekeeping, concierge support, and access to on-site facilities such as dining options and fitness centers. This combination caters to both short-term visitors and extended-stay guests who seek the flexibility of self-catering alongside the ease of professional hospitality services.

Wistas Residence is perfectly positioned to serve business travelers, expatriates, and tourists who prefer a home-like atmosphere during their stay, making it an ideal choice for those requiring longer-term accommodations or enhanced privacy and comfort compared to conventional hotel rooms.

Key Features: Wistas Residence apartment hotel, will blend the features of hotels with the comfort and flexibility of home-style living. Our apartment will consist the following key features type:

A Kitchen: with a kitchenette, complete with appliances, cookware, and utensils, making it ideal for long stays or self-catering.

Living and Dining Areas: Room will have a separate areas for living cum dining, giving guests more space to relax, work, or eat in comfort.

Housekeeping Services: Cleaning services will be provided, though they may be less frequent than in standard hotels, and we will have option to request additional services as needed.

Flexible Check-In/Check-Out: We will consider offering flexible check-in and check-out times accommodating guests' schedules.

Hotel-Like Amenities: We will offer hotel-like services such as concierge, room service, laundry, , restaurant and bar.

Wi-Fi and Technology: We will offer high-speed internet, flat-screen TVs, and other tech amenities like streaming options or smart home features.

Increased Privacy: With separate living spaces and kitchen areas, guests will enjoy more privacy compared to traditional hotel rooms.

5.1 Business Process.

Wistas Residence apartment hotel operation process involves various steps to ensure smooth functioning, guest satisfaction, and efficient management of the property. Here's a breakdown of key components:

5.1.1 Booking and Reservation

Online or Direct Reservations: Guests can book an apartment through an online platform (like a website or booking sites such as Booking.com, Air bnb) or directly through the hotel's reservation system. Confirmation: Once the booking is confirmed, guests receive an email or SMS confirmation with the details of their stay (check-in/out dates, apartment type, etc.). Check-in Process

Guest Arrival: Upon arrival, guests check in at the front desk Verification: ID and payment details will be verified at check-in. Room Assignment: Guests will be assigned to their respective apartments, and they are given keys or access codes (if using keyless entry).

Guest Services Concierge/Front Desk: The front desk or concierge provides assistance with requests such as booking tours, giving local recommendations, or handling any issues with the apartment. Housekeeping: Regular cleaning may be done either daily or on a scheduled Amenities: we will offer facilities like, laundry service, or breakfast.

5.1.2 Accommodation and Room Services

Fully Furnished Apartments: all our units will be equipped with kitchenettes, laundry facilities,

Wi-Fi, and other amenities for longer-term stays, catering to guests looking for an extended experience.

Maintenance: we will have Routine maintenance and troubleshooting for equipment or plumbing issues will be carried out as needed with our in house maintenance team
Guest Requests: Guests can call the front desk for additional services (extra towels, kitchen equipment, etc.).

5.1.3 Revenue Management and Billing

Pricing Strategy: Our Rates are typically adjusted based on demand, length of stay, or seasonality. We will offer special deals or packages. **Billing:** Charges for the stay, as well as any extras (room service, laundry, etc.), will be processed at check-out. **Invoices:** Guests will be provided with a final invoice detailing their stay and charges.

5.1.4 Check-out Process

Guest Departure: Upon check-out, guests return keys. **Final Inspection:** is inspection for damage or items missing. Will be done at this point any issues may be charged to the guest's account. **Feedback Request:** The guest will be asked to provide feedback on their stay to improve services.

5.2 Hotel Production Process – Wistas Residence Apartment Hotel

The production process at Wistas Residence Apartment Hotel refers to the end-to-end operational workflow through which the hotel delivers its core hospitality product: **comfortable, serviced apartment accommodation**. This process integrates guest interactions, service provision, resource utilization, and revenue capture into a streamlined operational cycle.

5.2.1 Reservation and Booking Production Stage

Input: Customer inquiries, online travel agencies (OTAs), direct contact channels

Process Activities:

- Availability search and selection via website, OTA, or walk-in
- Reservation capture and guest data entry into PMS (Property Management System)
- Confirmation communication sent via email/SMS with booking details

Output: Confirmed booking record in the hotel system

5.2.2 Guest Check-In and Arrival Handling

Input: Confirmed guest booking, guest arrival at property

Process Activities:

- Welcome and guest verification at front desk
- ID and payment method validation
- Allocation of apartment unit and issuance of access (physical key or digital entry)
- Luggage assistance and onboarding briefing
-

Output: Guest successfully checked into assigned apartment

5.2.3 Accommodation & In-Stay Guest Services

Input: Guest needs and apartment service standards

Process Activities:

- Room readiness and periodic housekeeping (daily or guest-scheduled)
- Guest support by front desk/concierge: transportation, local info, tour bookings
- Laundry service, breakfast (optional), Wi-Fi, maintenance on demand
- Replenishment of in-room amenities and consumables
- Guest request handling (e.g., extra towels, kitchen items)
-

Output: Positive guest experience through continuous service delivery

5.2.4 Facility and Equipment Maintenance

Input: Apartment wear and tear, guest usage, system alerts

Process Activities:

- Routine inspection of plumbing, electricals, and appliances
- On-call maintenance for urgent technical issues
- Preventive maintenance scheduling and execution

-

Output: Functioning facilities and uninterrupted guest comfort

5.2.5 Revenue Management and Guest Billing

Input: Room rates, guest consumption data, service usage

Process Activities:

- Application of dynamic pricing based on season, occupancy, and length of stay
- Recording of all chargeable items (e.g., extra services, late check-out)
- Guest invoice generation and payment processing at check-out
-

Output: Revenue realization and financial reporting

5.2.6 Check-Out and Post-Stay Evaluation

Input: Guest departure schedule

Process Activities:

- Collection of room keys or deactivation of digital access
- Apartment inspection for damages or missing items
- Guest feedback solicitation (digital or verbal)
- Updating guest profile with service notes and preferences for future stays
-

Output: Completed guest cycle and data capture for service improvement

5.2.7 Summary of Production Cycle Flow

Stage	Key Input	Main Activity	Output
Booking	Reservation request	Guest data entry & confirmation	Confirmed reservation
Check-In	Guest arrival	Verification & allocation	Occupied unit

Stage	Key Input	Main Activity	Output
Stay	Guest needs	Housekeeping, service delivery	Guest satisfaction
Maintenance	Equipment/apartment condition	Repairs & upkeep	Service continuity
Revenue	Stay duration, usage	Billing & pricing	Revenue generation
Check-Out	Departure notice	Room check, feedback	Service completion

6. BUSINESS REVENUE MODEL

6.1 Wistas Residence Revenue Categories and Sources

	Revenue Category	Revenue Source
A	Rooms	Accommodation charges, daily rates, packages, long-stay rates
B	Room Extra charges	1,Late check-out / early check-in fees 2 Room upgrades 3,Additional person charges 4,Laundry and dry-cleaning services billed to rooms
C	Food and Beverage (F&B) Revenue	Restaurants and cafés Bars and lounges Room service Banqueting and catering (weddings, meetings, events) Mini-bar sales Special dining events (buffets, theme nights, etc.)
D	Conference, Events, and Meeting Facilities	Conference and meeting room rentals Event hosting (weddings, corporate retreats, workshops) Equipment rental (PA systems, projectors, etc.) Event planning and coordination services

E	Ancillary Income	Laundry services for non-guests Car hire, airport transfers, or shuttle services Parking fees Business center services (printing, photocopying, internet) Gift shops and souvenir sales Tours and excursions organized through the hotel
F	Commissions and Partnerships	Travel agency commissions

6.2 Wistas Residence Revenue Model

Assumptions:

Parameter	Value
Number of Rooms	63 existing + 40 planned = 103 total
Average Occupancy Rate	95% (current) → 90% (projected post-expansion)
Average Room Rate	TZS 110,000 per night
Number of Days	365 days
Room Extra charges	5% of Room Revenue
Food and Beverage (F&B) Revenue	60% of room Revenue
Conference, Events, and Meeting Facilities	TZS 70 million per month
Ancillary Income	2% of Room Revenue
Commissions and Partnerships	

A. Room Revenue Projection

Formula:

Room Revenue = No. of Rooms × Occupancy Rate × Room Rate × Days

Projected Room Revenue:

= 63 rooms × 95% × 110,000 TZS × 365 days

= 63 × 0.95 × 110,000 × 365

= TZS 2,904,622,500 per year (≈ TZS 2.4 billion)

B. Room Extra charges

Assume 10% of room revenue:
= 2,402,977,500 × 10%
= TZS 240,297,775

C. Food and Beverage (F&B) Revenue

Assume 60% of room revenue:
= 2,402,977,500 × 60%
= TZS 1,441,786,500

D. Conference, Events, and Meeting Facilities

Monthly income: TZS 60 million
= 70,000,000 × 12 = TZS 840,000,000 per year

E. Ancillary Income

Assume 10% of room revenue:
= 2,402,977,500 × 10%
= TZS 240,297,775

F. Commissions and Partnerships

Monthly income: TZS 4.583 million
= 70,000,000 × 12 = TZS 55,000,000 per year

G. Total Annual Revenue Summary

Revenue Stream	Annual Value (TZS)
Room Revenue	2,904,622,500
Room Extra charges	240,297,775
Food and Beverage (F&B) Revenue	1,441,786,500
Conference, Events, and Meeting Facilities	840,000,000
Ancillary Income	240,297,775
Commissions and Partnerships	55,000,000
Total Revenue	5,722,004,550 (≈ TZS 5.7 billion)

7. ADMINISTRATIVE AND OPERATING EXPENSES COST MODULE

The Administrative and operating expenses Costs represent the routine, day-to-day expenses directly associated with running and maintaining the operations of Wistas Residence Hotel. These costs vary in proportion to the level of occupancy and service activity, and they play a key role in determining the hotel's gross operating profit (GOP).

7.1.1 Overview

For the purpose of this feasibility study, the direct operating cost estimates have been based on industry benchmarks for mid-sized business hotels in Dar es Salaam, adjusted for the operational structure of Wistas Residence Hotel. The existing hotel has a 95 % occupancy rate, expected to increase to 90% upon expansion. The analysis reflects projected costs after the addition of 40 new rooms and expanded service areas such as restaurant, conference hall, and leisure facilities.

7.1.2 Major Components of Administrative and operating expenses

The key direct operating cost components include:

1. Rooms Division Expenses

These are the costs directly related to the accommodation operations, including:

- Housekeeping supplies (cleaning materials, linen, guest amenities)
- Laundry and dry-cleaning expenses
- Room attendant wages and uniforms
- Reservation and front office operating costs

2. Food and Beverage (F&B) Costs

These expenses cover all costs related to preparing and serving food and beverages:

- Raw materials (food ingredients, beverages, consumables)
- Kitchen fuel and utilities
- Restaurant and bar staff wages
- Breakage and kitchen supplies

3. Utilities

Utility costs are essential for maintaining hotel operations and include:

- Electricity, water, and gas

- Air conditioning and refrigeration energy use
- Backup generator fuel and maintenance

4. **Guest Services and Amenities**

This includes costs for services offered to enhance the guest experience:

- Complimentary items (bottled water, toiletries)
- Recreation and leisure supplies (gym, pool, kids' play area)
- Transportation and shuttle services

5. **Maintenance and Repairs**

Regular upkeep and preventive maintenance costs are included here:

- Routine building and equipment repairs
- Pool and landscaping maintenance
- Contracted technical service providers (plumbing, electrical, HVAC)

6. **Staff Costs (Direct Operations)**

This includes salaries, allowances, and welfare costs of staff directly involved in service delivery:

- Housekeeping, kitchen, front office, and maintenance teams
- Overtime and staff meals
- Training and uniforms

7.1.3 Cost Assumptions and Projections

Based on industry averages and Wistas Residence's operating model, total direct operating costs are projected at **10–15% of total revenue for all cost with** exception of Food & Beverage cost which will be 18 % of reflating food cost ratio of 35 % and beverage cost ratio of 25% in the stabilized year of operation.

7.1.4 Summary

The direct operating costs are expected to grow in proportion to the occupancy and service volume, but the hotel's cost control measures — including in-house laundry services, solar-assisted water heating, and energy-efficient lighting — are expected to improve long-term

profitability. Effective procurement management and staff training programs will also contribute to maintaining an optimal cost-to-revenue ratio.

8. MARKET ANALYSIS

Finding the Client

8.1 Market Analysis: Client Identification

The success of Wistas Residence Apartment Hotel hinges on a clear understanding of its target clientele. This section provides an analysis of the potential customer base that will drive occupancy, revenue, and long-term profitability.

8.1.2. Target Market Segments

Wistas Hotel is strategically located in Dar es Salaam, Tanzania—a rapidly growing commercial hub and gateway to East Africa. Based on its location, facilities, and business model, the hotel will target the following key customer segments:

a) Business Travelers

Dar es Salaam hosts numerous corporate offices, NGOs, government institutions, and international organizations. Business travelers require comfortable and accessible accommodation with amenities such as Wi-Fi, meeting spaces, and extended-stay options. Wistas Hotel, with its apartment-style rooms, is well-suited to meet these needs.

b) International Tourists

Dar es Salaam serves as a transit point for tourists heading to Zanzibar, the Serengeti, and other major attractions. Wistas Hotel will attract budget-conscious international tourists looking for a safe, clean, and conveniently located place to stay before continuing their journey.

c) Local Leisure Travelers

With rising middle-class income in Tanzania, there is a growing domestic tourism market. Families and couples from across the country travel to Dar es Salaam for holidays, weddings, and events. The hotel can offer weekend packages and special promotions to capture this market.

d) Long-Stay Guests and Expatriates

Expatriates working on projects, consultants, or interns affiliated with embassies, NGOs, and multinational firms often seek extended-stay accommodations with kitchenette facilities and privacy. The apartment-style setup of Wistas Hotel makes it ideal for this niche.

e) Conference and Event Attendees

Dar es Salaam regularly hosts seminars, workshops, and government events. Wistas Hotel will market its meeting space and group rates to attract participants in need of accommodation.

8.1.3 Customer Acquisition Channels

To reach and attract its target clients, Wistas Hotel will use the following channels:

- **Online Booking Platforms:** Listing on Booking.com, Airbnb, Expedia, and Agoda to reach a global audience.
- **Hotel Website:** A professional, mobile-friendly website with real-time booking capabilities.
- **Social Media and Digital Marketing:** Using platforms like Instagram and Facebook to promote packages, reviews, and hotel highlights.
- **Corporate Partnerships:** Agreements with local companies and NGOs to provide preferred rates for regular stays.

- **Travel Agents & Tour Operators:** Working with travel agencies to include Wistas Hotel in packaged tours.
- **Referral Programs:** Offering incentives to existing guests for bringing in new clients.

8.1.4 Competitive Advantage

Wistas Hotel differentiates itself through:

- Spacious, apartment-style rooms ideal for long and short stays
- Competitive pricing and flexible booking options
- Personalized customer service and attention to detail
- A peaceful, secure environment within the city
- Strategic location with proximity to commercial centers and transport routes

8.1.5 Market Trends and Opportunities

- **Increased domestic travel** due to improved road infrastructure and a growing middle class.
- **Post-COVID travel recovery** bringing back international visitors.
- **Demand for flexible accommodation** such as serviced apartments and long-stay units.
- **Digital transformation** making online hotel discovery and booking more widespread.

8.2 Market Analysis – Sales Strategy and Revenue Potential

8.2.1 Market Demand for Hotel Accommodation

The tourism and hospitality industry in Dar es Salaam continues to experience steady growth, driven by business travel, government functions, regional conferences, and international tourism. Dar es Salaam serves as Tanzania’s main commercial hub and a key transit point for travelers to Zanzibar and the southern tourist circuit. This creates a consistent demand for quality hotel accommodation—especially among middle-income travelers, professionals, and corporate guests.

Wistas Residence Apartment Hotel, currently operating with 53 rooms and planning to add 40 more, is strategically located to tap into this demand. With an existing occupancy rate of 70%, and a projected increase to 95% post-expansion, the market shows strong absorption capacity for the additional rooms.

8.2.2 Target Market Segments

Sales for Wistas Hotel are projected to grow by targeting the following customer segments:

- **Corporate Clients:** Companies seeking long-term or repeat accommodation for staff and visiting executives.
- **Government and NGOs:** A significant market due to workshops, seminars, and public sector travel.
- **Tourists and Transit Travelers:** Short-stay tourists en route to Zanzibar or other regions.
- **Local Residents:** Individuals seeking venues for weddings, events, or staycations.

8.2.3 Sales and Booking Channels

To drive sales, the hotel will utilize a multi-channel sales strategy that includes:

- **Direct Sales:** Walk-in customers and direct reservations via the hotel's reception.
- **Online Travel Agencies (OTAs):** Platforms such as Booking.com, Airbnb, Expedia, and Agoda.
- **Hotel Website & Social Media:** Direct booking through the hotel's website, supported by social media advertising and customer engagement on platforms like Instagram and Facebook.
- **Corporate Partnerships:** Negotiated contracts and corporate rates with companies, NGOs, and government institutions.
- **Travel Agents and Tour Operators:** Commission-based collaborations to drive tourist bookings.

8.2.4 Competitive Pricing Strategy

Wistas Hotel will maintain competitive pricing in the mid-range segment while emphasizing value through superior service, spacious rooms, and reliable amenities. Seasonal packages, loyalty discounts, and event-based promotions will be employed to attract and retain guests, especially during low-demand periods.

8.2.5 Revenue Growth Projections

The expansion to 103 rooms is projected to raise monthly average room sales from 1,113 to 2,658 room-nights (based on 95% occupancy). Assuming an average room rate of TZS 110,000 per night, monthly room revenue is projected to increase from TZS 197, million to over TZS 322 million. Additional income from food and beverage services, conference facilities, and special events will further boost sales.

8.2.6 Sales Challenges and Mitigation

While the market outlook is positive, challenges such as price competition, online visibility, and customer loyalty exist. To overcome these:

- The hotel will invest in digital marketing and SEO.
- Quality customer service training will be implemented to ensure guest satisfaction and retention.
- A sales team will be deployed to build B2B partnerships and manage corporate account

9. CORPORATE GOVERNANCE AND MANAGEMENT

Wistas Hotel is committed to maintaining the highest standards of corporate governance to ensure accountability, transparency, and sustainable growth. As the hotel expands to add 40 more rooms to its existing 53-room facility, effective governance and sound management systems are critical for ensuring project success, stakeholder confidence, and long-term profitability.

The company follows a structured governance framework that clearly defines roles, responsibilities, and reporting lines. The Board of Directors oversees strategic direction, policy formulation, and risk management, while the executive management team handles day-to-day operations and project implementation.

Key governance principles guiding Wistas Hotel include:

- **Accountability:** Clear roles, responsibilities, and performance monitoring
- **Transparency:** Regular financial and operational reporting
- **Responsibility:** Compliance with legal, regulatory, and ethical standards
- **Fairness:** Equal treatment of all stakeholders including employees, clients, investors, and partners

9.2 Management Structure

The expansion project will be executed and managed through the existing hotel management structure, with additional project management and operational oversight incorporated to ensure seamless integration of the new rooms and services.

The management team is composed of experienced professionals in hotel operations, finance, marketing, customer service, and project management. During the expansion phase, a dedicated **Project Expansion Committee** will be formed under the General Manager to coordinate construction, procurement, regulatory approvals, and commissioning.

9.3 Organizational Structure

The following organizational chart illustrates the governance and management structure of Wistas Hotel during and after the expansion phase:

9.4 Key Roles and Responsibilities

- **Board of Directors:** Provide strategic oversight, approve budgets, and monitor performance.
- **Managing Director:** Acts as the link between the Board and management team, oversees all business functions.
- **General Manager:** Responsible for hotel operations, expansion supervision, and implementation of business strategy.
- **Project Manager (Expansion):** Oversees the planning, execution, and completion of the construction and room addition.
- **Finance Manager:** Handles budgeting, financial reporting, and coordination of funding (including the bank loan).
- **HR & Admin Manager:** Ensures optimal staffing, compliance with labor laws, and capacity building for new operational needs.
- **Operations Manager:** Coordinates front office, housekeeping, F&B, and maintenance departments to deliver high-quality service.
- **Department Supervisors:** Lead their respective units ensuring daily service delivery and guest satisfaction.

See FM 9; Organizational Chart of Wistas Hotel (Post-Expansion)

10. CHALLENGES AND MITIGATION MEASURES

The proposed expansion of Wistas Residence Apartment Hotel presents a strategic growth opportunity, but it also comes with potential risks and challenges. This section outlines the key challenges anticipated during the expansion project and the corresponding mitigation strategies to ensure successful implementation and sustainable operation.

10.1 Financial Constraints

Challenge:

Securing sufficient funding for the expansion, including construction, furnishing, staffing, and marketing, may be difficult due to economic conditions, bank lending policies, or internal cash flow limitations.

Mitigation Measures:

- Secure a bank loan of TZS 700 million with a strong business case supported by financial projections (IRR, NPV, payback period).
- Explore government or donor support programs for tourism and hospitality investments.
- Implement phased expansion to manage cash flow more efficiently.
- Reinvest a portion of retained earnings from current operations.

10.2 Construction Delays and Cost Overruns**Challenge:**

Unexpected delays in construction, increases in material costs, or contractor inefficiencies could affect project timelines and budgets.

Mitigation Measures:

- Employ a qualified project manager to oversee construction schedules and quality.
- Enter into fixed-price contracts with reputable construction firms.
- Include contingency provisions (10–15%) in the project budget.
- Conduct regular progress reviews and audits to ensure alignment with the project plan.

10.3 Market Saturation and Increased Competition**Challenge:**

Dar es Salaam has seen a rise in hotel developments. Increased competition may reduce Wistas Hotel's market share or affect occupancy rates post-expansion.

Mitigation Measures:

- Differentiate the hotel through superior service, targeted marketing, and niche offerings such as long-stay apartments and business amenities.
- Strengthen online presence and partnerships with OTAs (Online Travel Agencies) and corporate clients.
- Offer competitive pricing and loyalty programs to retain repeat customers.

10.4 Staffing and Human Resource Management

Challenge:

Scaling up operations requires skilled staff. Recruiting and retaining qualified personnel in hospitality may prove challenging.

Mitigation Measures:

- Implement competitive compensation and employee training programs.
- Partner with hospitality training institutions for recruitment pipelines.
- Promote a strong organizational culture to enhance staff motivation and retention.

10.5 Operational Risks Post-Expansion

Challenge:

Managing the enlarged facility may introduce operational inefficiencies or quality issues, especially during the initial adjustment phase.

Mitigation Measures:

- Strengthen internal operating procedures and use hotel management software systems.
- Conduct periodic training for staff to maintain service quality.
- Implement quality assurance mechanisms and feedback systems to monitor guest satisfaction.

10.6 Regulatory and Compliance Issues

Challenge:

Changes in government policies, taxes, or delays in permits and approvals can affect project timelines and profitability.

Mitigation Measures:

- Maintain close communication with relevant local authorities and regulatory bodies.
- Ensure all legal and licensing requirements are met before commencement.
- Work with consultants familiar with the hospitality sector and local compliance.

10.7 Environmental and Community Concerns

Challenge:

The expansion may raise concerns about noise, waste management, and neighborhood impact.

Mitigation Measures:

- Adopt sustainable building practices and environmentally friendly waste disposal.
- Engage with the local community and authorities to ensure alignment and support.
- Develop a Corporate Social Responsibility (CSR) strategy to build goodwill.

By proactively addressing these challenges with the above mitigation strategies, Wistas Hotel will be well-positioned to complete the expansion successfully and maximize its return on investment

11. CAPITAL STRUCTURE & FINANCIAL REQUIREMENT

In addition for existing Buildings Equipment's furniture's and fittings; the Company requires additional TZS 1.45 billion (*Say Tanzanian shillings one billion two hundred millions only*) and Tzs 845 Million in foreign currency and Tanzanian Shillings. The amount of foreign currency component is equivalent to USD 319,000 (*Say US Dollars three hundred and nineteen thousands only.*)

See financial module 8: Assets/ Equipment requirement

11.1 Mode of Financing

The project will be financed by local shareholders and bank loan. Although the current registered share capital of the Company is lower than the total funding requirement, the capital structure will be revised to accommodate the necessary investment levels as the project progresses.

Initially, all shareholder contributions will be treated as advances toward share capital, with a formal increase in the registered share capital to be completed subsequently. Depending on the agreed shareholding arrangements, a portion of the financing may also be structured as Director's Loans, which will be repayable in the future under mutually agreed terms.

This flexible financing approach ensures adequate capital availability while aligning with the Company's long-term ownership and governance objectives

12. CONCLUSION

The feasibility assessment of the Wistas Residence Expansion Project demonstrates that the proposed investment is both economically and financially viable, with strong strategic relevance to Tanzania's tourism and hospitality sector. The project aligns with TIC's investment priorities by contributing to job creation, enhancing service quality in the accommodation sector, and supporting the growth of business and leisure travel in Dar es Salaam.

From the financial analysis, the projected revenues, profitability indicators, and cash flow trends confirm that the expansion will materially strengthen the hotel's operating capacity and long-term sustainability. The project yields a **positive Net Present Value (NPV)** and a significantly high **Internal Rate of Return (IRR)**, indicating that the investment will deliver substantial value to both equity holders and lenders. The payback period falls within an acceptable range for hospitality investments, further supporting its financial attractiveness.

Beyond financial returns, the project brings wider socio-economic benefits, including increased employment opportunities, enhanced local procurement, skills development in hospitality services, and expanded tourism infrastructure. These outcomes directly support national development objectives, particularly in promoting the tourism industry as a key driver of economic growth.

Given the strong market demand, proven performance of the existing Wistas Residence operations, strategic project location, and positive financial indicators, the proposed expansion is recommended for **full approval and support under the Tanzania Investment Centre (TIC) framework**. The project demonstrates clear potential to contribute to national economic development, attract additional visitors and business travelers, and improve the quality and competitiveness of hospitality services in Tanzania.

In conclusion, the Wistas Residence Expansion Project is **technically sound, financially profitable, socially beneficial, and fully aligned with national investment priorities**. It is therefore suitable for registration, facilitation, and investment incentives under TIC.

