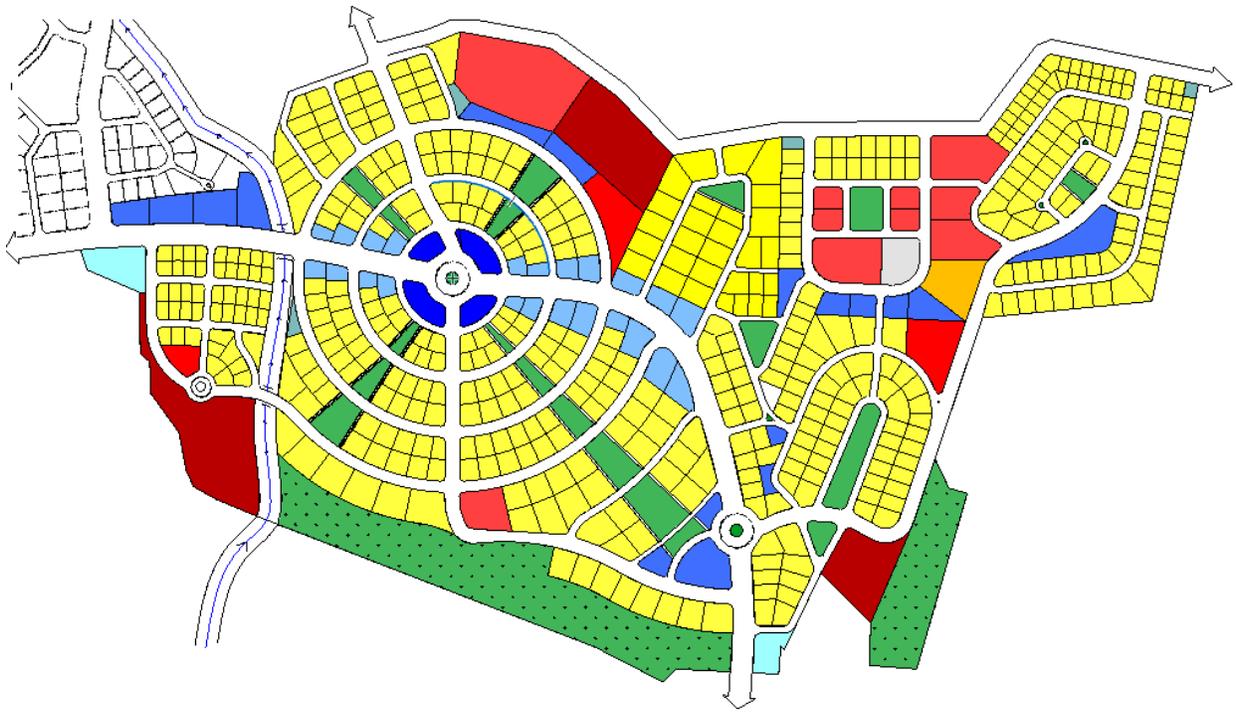




**STRATEGIC PLAN OF HANS-MULT CONSULT CO.LTD**

**2020-2024**



**HANSMC**  
**STRATEGIC PLAN 2020-2024**

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## ABSTRACT

Hans Mult-consult Co. Ltd is a registered Real Estate company No. 136974 under the companies Act 2002 under Section 15 and that the company is limited, this means its members are limited by shares. The company was duly incorporated in June 2017 and manned by Tanzanian professionals with sound pedigree in the discipline of Building construction and electrician, Real estate investment analysis, Development appraisal, Estate management and Land advisory services and acquisitions.

The five-year strategic plan is established to act as a guidance to the company to follow for the next coming five years. The company has strength, weakness, opportunity and threats that is going to face for these years. The vision/mission of HANS is to acquire and develop quality properties base on realistic market value for its own investments affiliates as well as stakeholder's partners. In performing its duties. And the company is guided by five core values that are team work, professionalism, integrity, commitment and innovation. The strategic goals of HANS company are (i) To become an efficiency Real estate developer in Tanzania, (ii) Become an efficiency real estate manager in the country, (iii) Deploy the best human resources base in the company requirement, (iv) To have a great influence on public by boosting the company's image.

This five-year strategic plan has the core strategic objectives that are going to be the main focus for the coming five years, these key strategies include construction of houses, plots selling and analyzing different sources that are going to finance the whole project.

The company is going to receive revenue from the projects that are going to be implemented, the company will receive a total revenue of **TZS840 million** from plots selling, **TZS20.91 billion** from houses constructed on the project site, which makes a total of **TZS 21.75 billion** from all activities that will be implemented from 2020-2024.

The strategic plan is going to be reviewed in every after one year to reflect the changing investment environment, and the profits that are going to be generated from the project is going to be reinvested depending on the research that will be conducted by the company.

## EXECUTIVE SUMMARY

Hans Multi-consult Co. Ltd is a registered Real Estate company No. 136974 under the Companies Act 2002 under Section 15 and that the company is limited, this means its members are limited by shares. The company was duly incorporated in June 2017 and manned by Tanzanian professionals with sound pedigree in the discipline of Building construction and electrician, Real estate investment analysis, Development appraisal, Estate management and Land advisory services and acquisitions.

The company is well organized establishment with high spirit to perform the best service ever to the satisfaction of its clients' home and abroad.

The company divides its works into different departments in order to ensure the specialization; confidentiality and trust are exercised in order to provide high quality and timely services with strong focus on our clients. The Management and staff have an absolute commitment to client services and satisfaction. This enables to cope with the dynamics of information technology changes and requisite to offer quality services to our client.

Currently the company is dividing into five departments

- ❖ Administrative and Human Resource Department
- ❖ Construction Department
- ❖ Real estate department
- ❖ Project planning, Marketing and development department
- ❖ Financial Department

The company has three principal areas of specialization namely: -

- ❖ Contractor; this includes Civil and Building construction
- ❖ Real estate consultant service; this includes Real Estate Agency, Development Appraisal i.e. feasibility and viability appraisal; Real Estate/Asset Valuation Property Performance Evaluation entailing mainly the analysis of property returns and risk for real estate investments/portfolios Property Management, land acquisition and provision of plot services with affiliation of stakeholders.
- ❖ Marketing and development include marketing of respective products, developed on real estate activities house for rent and sell but also planning plot services product.

**Table 1: HANS strategic goals up to 2024**

<b>S/N</b>	<b>GOAL</b>	<b>STRATEGIC OBJECTIVE</b>
1	To become an efficiency Real estate developer in Tanzania.	To obtain land for Development and manage construction process minimum of 300 houses for sale and lease by Dec 2024.
		To corporate with other master developer for initiation to final build out, overseeing site preparation, marketing and asset management by Dec 2024.
2	Become an efficiency real estate manager in the country.	Become the most reputable and recognized real estate manager in the country
		To increase the rate of return on investment by 2022 through construction and plot services.
3	Deploy the best human resources base in the company requirement.	To enhance effective human resource utilization by 2021
		Continually enhance human resource development and capacity building to 2024.
4	To have a great influence on public by boosting the company's image.	To create HANS Real Estate Company to be known in Public.
		Increase awareness, efficient on company's projects to the general public.

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## HANS's STRENGTH, WEAKNESS, OPPORTUNITY AND THREAT (SWOT)

From the external and internal environment, the below table summarizes what HANS consider to be the current strength, weakness, opportunity and threats of the company.



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# CHAPTER ONE

## 1.1 OVERVIEW OF HANS STRATEGY

The vision/mission of HANS is to acquire land and develop quality properties, based on realistic market value for its own investments affiliates as well as stakeholder's partners. In performing its duties HANS is guided by the following five core values.

- ✚ TEAM WORK
- ✚ PROFESSIONALISM
- ✚ INTEGRITY
- ✚ COMMITMENT
- ✚ INNOVATION

## 1.2 STRATEGIC GOALS

HANS's strategy aims at achieving a number of strategic goals that will enable it to reach its vision. These strategic goals are as follows:

- ✚ To become an efficiency Real estate developer in Tanzania.
- ✚ Become an efficiency real estate manager in the country.
- ✚ Deploy the best human resources base in the company requirement.
- ✚ To have a great influence on public by boosting the company's image.

## 1.3 SITUATIONAL ANALYSIS

The analysis of the environment in which HANS operates has generated ideas on the direction the company will be taking in the next 5 years. The analysis of the internal and external environment of HANS uncovered a number of strengths and opportunities that must be leveraged, weaknesses that need to be addressed, and risks that must be and risks that must be addressed, and risks must be mitigated in order to succeed in implementing the identified strategies.

## 1.4 INTERNAL ENVIRONMENT ANALYSIS

The internal environment analysis focuses on the performance of HANS in the coming five years against a number of strategic goals and objectives that were set at the beginning of the period. The previous HANS's strategy focused on five (4) main goals as highlighted in Table 1.1 below.

**Table 1.1: HANS strategy 2020 – 2024**

S/N	GOAL	STRATEGIC OBJECTIVE
1	To become an efficiency Real estate developer in Tanzania.	To obtain land for Development and manage construction process minimum of 300 houses for sale and lease by Dec 2024.
		To corporate with other master developer for initiation to final build out, overseeing site preparation, marketing and asset management by Dec 2024.
2	Become an efficiency real estate manager in the country.	Become the most reputable and recognized real estate manager in the country
		To increase the rate of return on investment by 2022 through construction and plot services.
3	Deploy the best human resources base in the company requirement.	To enhance effective human resource utilization by 2021
		Continually enhance human resource development and capacity building to 2024.
4	To have a great influence on public by boosting the company's image.	To create HANS Real Estate Company to be known in Public.
		Increase awareness, efficient on company's projects to the general public.

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## CHAPTER TWO

### 2.1 TARGET STRATEGY 2020-2024

HANS company on the plan from 2020-2024 is going to engage in the following key strategic activities that will be conducted on the project area of Ihumwa Satellite Town. These key strategic activities will include: -

- ❖ **Housing construction**
- ❖ **Plots selling**
- ❖ **Property management**

#### 2.1.1 Housing Construction

HANS is expecting to construct 300 houses up to 2024. Among these houses, 240 houses are for selling and 60 houses are for rating. Generally, the Company is targeting to construct 60 houses per year, 15 houses in 3 months and 5 houses in a month whereby among those 5 houses, 4 houses will be for selling and 1 house for rating. The Company is also expecting to incur not more than TZS 50 million on constructing each house and selling price per house is expected to be **TZS 85** million VAT inclusive. The company will ensure two out of the five houses constructed in a month are sold to customers/clients, thus the sales and marketing departments are supposed to ensure that they secure clients that are going to buy the houses and this will be through aggressive/competitive marketing to the general public through different medias and different campaigns. The company will receive **TZS 20,400,000,000/-** from selling of the constructed houses.

#### 2.1.2 Plot Selling Where Quality meets Affordability

Plots selling is the core activity conducted by the company. The Company is looking forward to sell total of 500 plots in 3 years, this plots will include residential 450, commercial residential 16, commercial 15, nursery and primary schools 4, petrol station 2, housing estate 3, petty traders 1, local market 1, religious sites 2, public buildings 4, dispensary 1, community hall 1, in these 500 plots the company will sell 108 plots in a year, and 9 plots each month. The plots have different square meters, but the average sq.m for a plot is estimated to be **1024sq.m** and due to different prices of these plots the company will sell a sqm on the average rate of **TSH 7500**. As for this strategic plan of Ihumwa Satellite Town will use 5 years (2020-2024) to sell all of the

500 plots, the Company is therefore expecting to get total return from selling of plots of **TZS 3.24 billion**.

### **2.1.3 Property Management**

The company when implementing this five-year plan will also be going to involve in property management and this will include the 60 houses which are going to be built specifically for rating purposes, and the company will also manage the whole project from selling of plots to the houses built on the site to ensure the clients follow the building conditions that are specified to every zone in the project.

## **2.2 SOURCE OF INCOME**

HANS is going to finance these activities from the following company sources, and these key activities that are going to be implemented have different sources of financing them. The following are how these activities are going to be financed: -

### **2.2.1 Loan from bank**

One of the source that the company will use in financing these key strategic activities is obtaining loan from financial institutions (banks). As the company objective of constructing 300 houses for the coming five years. The company is expecting to obtain a loan of Tshs 12 billion for 5 years from a financial institution which is equal to a loan of Tshs 2.4 billion per year and Tshs 200 million per month and invest not more than Tshs 50 million on construction of each house. Based on the loan policy and negotiations the company is expected to repay this loan in five years and which accommodates for 80% of the total cost.

### **2.2.2 Plot selling**

Another source of financing housing construction activities is selling of plots. The Company will use plot selling as a source of income due to the return that is intended to be obtained from sales of 500 plots within the first 5 years (2020-2024) of this strategic plan. As from the bank policy of giving out 80% of the investment fund in the construction project that is going to be invested by the company at Ihumwa satellite town, the 20% of the investment fund is going to be generated from selling of 500 plots that are at the project area.

### **2.2.3 Inventory income**

The company is going to receive income from the inventories that the company is holding, these inventories are the houses that were built for the purpose of rating and a total income of **TZS 510,000,000/-** will be received in the five years with VAT inclusive.

## **2.3 PROJECT OPERATING COST**

### **2.3.1 Office costs**

The company is expected to run and the operating cost is being distributed in two categories which include office and marketing costs. The office running and marketing cost per month will be **TZS 3 million**, which makes **TZS 36 million** per year and for this strategically for five years will be **TZS 180,000,000/-**.

### **2.3.2 Construction costs**

The costs that the company is going to invest in the construction activities that are going to be done on the project site will be **TZS 14,160,000,000/-** billion which 80% of the construction cost that will be received from loan and **TZS 3,000,000,000/-** is the remaining 20% will come from plots selling, this makes a total of **TZS 17,160,000,000/-** for construction costs.

### **2.3.3 Acquisition costs**

The cost of acquisition comes from the land that was bought by the company from the community where the project is located in Ihumwa. The company acquired the land for **TZS 351,900,000/-** million and acquired a total land of 163 acres

### **2.3.4 Other operating cost**

Other operation cost that the office has incurred on the project site are site clearance and road formation **TZS21,892,000/- million**, survey **TZS 61,500,000/- million**, drilling of water and tank construction **TZS 53,000,000/- million**, electricity connection **TZS 20,000,000/- million**, making a total of **TZS 168,592,000/- million** until completion of these activities.

## CHAPTER THREE

### PROJECT DERIVERABLES AND OUTPUT

The company is expected to sell plots, houses and leasing houses that are going to be located at Ihumwa satellite town and the following are the output that are going to generated from the project.

#### 3.1 OUTPUT FROM PLOT SELLING

The company will sell **500 plots** of different category including commercial, commercial residential, petrol station, community hall, dispensary, schools, religious site, residential purposes, parking, petty traders, waste collection points, housing estate, market, public buildings and hotels. These plots have the average square meters of **1024** and the average price of these plots per sq. m is **TZS 7500**, the revenue that is going to be received from plots selling is **TZS 3,840,000,000/-** VAT inclusive as indicated on table below;

**Table 3.1: Revenue from Selling of Plots**

S/N	PLOTS	TOTAL	AMOUNT (VAT incl.)
1	RESIDENTIAL	450	3,456,000,000.00
2	COMMERCIAL RESIDENTIAL	16	122,880,000.00
3	COMMERCIAL	15	115,200,000.00
4	PRIMARY SCHOOLS	1	7,680,000.00
5	NURSERY SCHOOLS	3	23,040,000.00
6	COMMUNITY HALL	1	7,680,000.00
7	PETROL STATION	2	15,360,000.00
8	HOUSING ESTATES	3	23,040,000.00
9	RELIGION SITE	2	15,360,000.00
10	MARKET	1	7,680,000.00
11	DISPENSARY	1	7,680,000.00
12	PUBLIC BULDINGS	4	30,720,000.00
13	PETTY TRADERS	1	7,680,000.00
	<b>SALES REVENUE</b>	<b>500</b>	<b>3,840,000,000.00</b>

#### 3.2 OUTPUT FROM HOUSE CONSTRUCTED

The company will also sell houses that have been built on the project area. The company will construct 300 houses in five years and these houses will include commercial and residential, the

cost of constructing these houses is **TZS 50,000,000/-** million per house and the total cost of constructing these houses is **TZS15,000,000,000/-** billion. The revenue that is going to be received is **TZS 20,910,000,000/-** billion as shown in the table below;

**Table 3.2: Revenue from Houses Constructed**

<b>REVENUE FROM HOUSE SELLING</b>			
	<b>HOUSES</b>	<b>PRICE</b>	<b>AMOUNT (VAT incl.)</b>
1	240	85,000,000	<b>20,400,000,000/-</b>
<b>REVENUE FROM INVENTORY</b>			
1	60	300,000	<b>510,000,000/-</b>
<b>TOTAL REVENUE</b>			<b>20,910,000,000/-</b>

### **3.4 ONE YEAR LOAN SERVICING**

The Company is expecting to re-pay back its loan from selling of its plots and houses that are located on Ihumwa satellite town Project; the total loan that will be acquired from the bank is **TZS2.4** billion and interest of **TZS 432,000,000/-** making a total of **TZS 2.832**billion. The company is expected after the grace period is over to repay **TZS 47,200,000/-** million per month for 5 years from the date which the loan will be acquired, therefore for a company to service this loan it is supposed to sell 9 plots per month which is equivalent to **TZS 69,120,000/-** million. The return from plot selling is expected to be **TZS 840**million for the first three years (2020-2022) and the return from selling and leasing of houses for the five years is **TZS20,910,000,000** /- billion.

## CHAPTER FOUR

### 4.1 RECOMMENDATION

#### 4.1.1 Revenue

In this five-year strategic plan, the company is expected to raise the revenue from selling of plots, house selling and leasing. From the table the company will raise **TZS 840,000,000/-** million from selling of plots and also the company will receive **TZS 510,000,000/-** million from leasing of houses and **TZS 20,400,000,000 /-**billion from selling of houses. The total revenue that is going to be collected by the company is **TZS 21,750,000,000/-** billion.

#### 4.1.2 Cost

The cost of operating for the five years based on cost of construction (loan, interest plus the 20%) **TZS 17,160,000,000/-**, office operating costs **TZS 180,000,000/-**, land acquisition cost **TZS351,900,000/- million**, other operating cost that the company has incurred in the project is **TZS 168,592,000/- million** making the total cost equal to **TZS17,859,000,000/- billion**

#### 4.1.3 Profit

From the revenue/profit that the company is going to receive after the cost of operation has deducted will be **TZS3,891,000,000/-billion** which is going to be reinvested on other projects depending on the research that will be conducted by the marketing department and seeing where there are opportunities to reinvest the profit raised from the five-year plan.

#### 4.1.4 Review of Plan

This five-year strategic plan is going to be reviewed in every after one year to reflect the changes that occur in the economy such as inflation which raises the cost of operation of the company and assessing the targets/goals that we have put forward as the company if they are still applicable based on the invest environment. The challenges and lessons that are going to be learnt from implementing this plan are going to be addressed according to the company's policy and regulations.