



POSTAL STRATEGY COMMITTEE (SC)
PAPU/SC/IPG/01/2025 - Doc No. 03

INVESTMENTS AND PROJECTS WORKING GROUP

7th May 2025 (Online) 09:00 GMT

REPORT ON THE PAPU TOWER

1. Subject: Report on the PAPU Tower	References/Paragraphs PAPU Convention Article 9, paragraph 17
2. Decisions Expected <ul style="list-style-type: none">• Take note of the PAPU Tower Report• Provide further guidance if deemed necessary.	

1.0 INTRODUCTION

The decision to construct a befitting Head Quarters building for PAPU was taken by the 5th Ordinary Plenipotentiary Conference (PC) that was held in Abidjan, Cote d'Ivoire in June 2000. Various efforts were made to implement the PC decision through Build Operate and Transfer arrangement, partnership with willing Investors and a combination of equity/debt funding. Due to the status of PAPU as an international Institution with diplomatic immunity many potential investors were reluctant to partner with the Union.

In 2013 PAPU invited the host country to partner with it and ensure the realization of this long-delayed project. The Government of the United Republic of Tanzania agreed to partner PAPU and appointed the Tanzania Communication Regulatory Authority (TCRA) to enter into agreement with PAPU on its behalf to create a joint venture to construct the head office building with 40% and 60% share ownership respectively.

2.0 INAUGURATION AND OPERATION OF PAPU TOWER

The PAPU Tower was officially inaugurated on 2nd September 2023 by the President of the United Republic of Tanzania, Her Excellency, Dr. Samia Suluhu Hassan, in the presence of VVIPs that included Ministers in Charge of the Post in Africa, Ambassadors, Partners and Postal leaders of Designated Operators and Regulatory Authorities from the African continent.

The PAPU General Secretariat Staff moved to occupy the offices in the new PAPU Tower in October 2023, the first tenants followed thereafter.

3.0 OBSERVATIONS

The Report is tabled to the Investment Working Group for appraisal on the progress of the PAPU Tower Project on the following;

- 1) Current and Projected Project Revenues;
- 2) Current and Projected lettable spaces;
- 3) The Investment Payback Period of 28 Years and the funding gap covered by TCRA and that PAPU has to for-go her earnings as all the generated revenues will be channeled towards the recovery of the excess contributions.
- 4) The on-going project works and the funding challenges owing to the withdrawal of support by our Joint Venture Partner, TCRA

4.0 DECISIONS EXPECTED

- Take note of the **PAPU Tower** Report;
- Provide further guidance if deemed necessary.



REPORT ON THE PAPU TOWER

1.0 PAPU TOWER JOINT VENTURE PROJECT

The decision to construct a befitting Head Quarters building for PAPU was taken by the 5th Ordinary Plenipotentiary Conference (PC) that was held in Abidjan, Cote d'Ivoire in June 2000. Various efforts were made to implement the PC decision through Build Operate and Transfer arrangement, partnership with willing Investors and a combination of equity/debt funding. Due to the status of PAPU as an international Institution with diplomatic immunity many potential investors were reluctant to partner with the Union. In 2013 PAPU invited the host country to partner with it and ensure the realization of this long-delayed project. The Government of the United Republic of Tanzania agreed to partner PAPU and appointed the Tanzania Communication Regulatory Authority (TCRA) to enter into agreement with PAPU on its behalf to create a joint venture to construct the head office building with 40% and 60% share ownership respectively.

The then Management Board (a body that meets in between Administrative Council meetings) during its meeting held on 17th April 2013 in Berne, Switzerland (on the side lines of the UPU POC meeting), authorized the Secretary General to accept Tanzania Communications Regulatory Authority (TCRA) as joint venture partner, conclude a Memorandum of Understanding with TCRA detailing all aspects of the partnership in the presence of the Chairman of the Administrative Council and mandated the Secretary General to pursue all other sundry matters related to the realization of PAPU Tower and avail periodic reports to the Management Board.

The ensuing 32nd ordinary session of the Administrative Council held on 8th -9th July 2013 in Arusha, Tanzania through Resolution No01/PAPU/AC/XXXII/2013 on the Development of PAPU Headquarters building project accepted TCRA's 40% ownership of the Project. Consequently, a joint venture agreement for the development of PAPU Tower was signed by TCRA and PAPU on 12th March 2014 with an Addendum on 18th June 2021. The agreements mandated PAPU to contribute USD 4 million as equity cash while TCRA will contribute equivalent 40% that is proportional to its ownership.

2.0 PROJECT COMMENCEMENT AND THE FOUNDATION STONE LAYING

On 18th January 2020, during the 40th Anniversary Celebration of the establishment of the PAPU, the Honorable Ministers in Charge of the Post in all Member States were all invited to the ground-breaking and foundation stone-laying Ceremony which took place at the site of the new building. The then Honourable Ministers of Works, Transport and Communication as well as the Deputy Minister of Foreign Affairs and East

African Cooperation of the United Republic of Tanzania, representing and acting on behalf of His Excellency, the President of the United Republic of Tanzania laid the foundation stone at the site of the 17-storey building located on plot 114, Block Z, measuring 9448 square meters, within the Sekei ward of Arusha City adjacent to the Union's old offices that were built from contributions by Member States.

3.0 PROJECT COMPLETION AND INAUGURATION

The PAPU Tower was officially inaugurated on 2nd September 2023 by the President of the United Republic of Tanzania, Her Excellency, Dr. Samia Suluhu Hassan, in the presence of VVIPs that included Ministers in Charge of the Post in Africa, Ambassadors, Partners and Postal leaders of Designated Operators and Regulatory Authorities from the African continent.

4.0 PAPU TOWER PROJECT OBJECTIVES

The following are the objectives of the PAPU Tower:

- a. Provision of adequate accommodation for the PAPU General Secretariat;
- b. Creation of an ICT centre to drive digitalisation of Postal Services in Africa;
- c. Training facilities for capacity building and upskilling of postal employees;
- d. Conference facilities for PAPU Organ Meetings (in alignment with the Acts of the Union);
 - i. Plenipotentiary Conferences (4-Year Cycle)
 - ii. Administrative Council Meetings (Annual)
 - iii. Technical and Administrative Council Meetings (Bi-annual)
 - iv. Other local and international Union meetings, workshops and forums
- e. Revenue generation from leased spaces;
- f. Promotion and proper positioning of the Post's visibility in the African society.

5.0 PROJECT ANCILLARIES

The PAPU Tower is provided with other facilities including;

No.	Facility	Status
1.	Car parking lots: 187	<ul style="list-style-type: none"> ▪ 37 in the basement ▪ 150 on the exterior area
2.	Standby diesel generators:	<ul style="list-style-type: none"> ▪ 3 sets of 800kVA,400V,50Hz with 24 hours non-stop functionality
3.	Water storage tanks	<ul style="list-style-type: none"> ▪ Overhead storage tanks with 72,000 litres capacity; ▪ Underground tank with 210,000 litres capacity.
4.	Garbage collection points	
5.	Vertical transportation	<ul style="list-style-type: none"> ▪ Six (6) elevators connecting the floors, <ul style="list-style-type: none"> ○ one dedicated to cargo, ○ one is fire resistant and can be used for rescue operations when the building catches fire;

		<ul style="list-style-type: none"> ▪ Two (2) escalators connecting commercial floors i.e. ground and 1st floor, ▪ Two (2) dumb waiter lifts serving the restaurants at the 2nd and 16th floors
6.	Entrance Gates	<ul style="list-style-type: none"> ▪ Double main entrance gates ▪ one rear exit (emergency) gate;
7.	Flag Area	<ul style="list-style-type: none"> ▪ 47 flags hoisted <ul style="list-style-type: none"> ○ African Union flag and PAPU flag ○ 45 Members States flags
8.	Fire Readiness	<ul style="list-style-type: none"> ▪ Fire smoke detectors; ▪ Fire-fighting overhead sprinklers; ▪ Fire hose pipes
9.	Security	<ul style="list-style-type: none"> ▪ Security cameras on all floors
10.	Building Access for physically challenged and elderly persons	<ul style="list-style-type: none"> ▪ Ramps for accessing the building ▪ and the Conference stage area for physically challenged people using wheel chairs.
11.	Building temperature control	<ul style="list-style-type: none"> ▪ Modern double glazing ▪ Pure aluminum cladding finishing

6.0 PROJECT FUNDING

The Project has an ownership structure of 60:40% i.e. PAPU: TCRA which should reflect in the funding proportions as well. However, the funding to date is not reflective of the ownership structure as TCRA provided more funds which are reimbursable by the Union. The Joint Venture Agreement mandates that the excess cash contributed by TCRA shall be recovered from revenue generated by the Investment Project first before the two partners can earn income from the Joint Venture Investment.

6.1 Total Cost of the Project

As of 31st March 2025, the total cost of the project including VAT stood at USD 23,578,912.65*. Out of this amount PAPU is required to contribute USD 14,147,347.59 while TCRA contributes USD 9,431,565.06 in line with the ownership structure.

The above total cost is exclusive of ongoing works, pending works and retention moneys due to Contractors.

6.2 Excess Cash Contribution of TCRA

From 6.1 above, PAPU Partner TCRA has contributed excess cash amounting to USD 8,783,089.99* which must be recovered first before PAPU and TCRA can earn income from the investment property. So far TCRA has recouped USD 271,731.84** from the gross revenue generated by the Investment Property amounting to USD 647,421.11**. The excess cash recouped so far is an indication of the long period it will take for the Union to receive its first income from the Investment.

6.3 Funding of Ongoing/Pending Works

In a recent communication, TCRA has expressed inability to continue funding the ongoing as well as pending works as additional excess cash to the Joint Venture Partnership. TCRA recommended that the ongoing works be funded from the income generated by the Investment. Much as this is a viable alternative, there are associated risks considering the low revenue generated by the Property since September 2023 and about sixty six percent (62%) occupancy rate of the building after 18 months of it becoming functional.

6.4 Additional Works at the PAPU Tower

The ongoing as well as pending works are as follows:

S/N	DESCRIPTION	STATUS	COMMENTS	AMOUNT IN USD
a)	Installation of Kitchen Electrical, Plumbing and Firefighting and Gas system	Completed	The contractor has handed over the project to the client	124,463.65
b)	Installation of Kitchen heating, ventilation and Air conditioning system	Completed	The contractor has handed over the project to the client	106,325.49
c)	Additional Kitchen civil works	Completed	The contractor has handed over the project to the client	68,189.52
d)	Construction of garbage collection shed	Completed	The contractor has handed over the project to the client	14,922.34
e)	Installation of important signage in the building	Not completed	The constructor must rectify some snags including exit and entrance signage at the entrance, PAPU logo at the entrance and basement signage	82,682.60
f)	Procurement and installation of hot water circulation pumps	Completed	The contractor has handed over the project to the client	17,473.08
g)	Supply and installation of security scanners	Not Completed	Improvements need to be done including setting the tables at the baggage scanners for visitors to put baggage when inspected, trays to put scanned baggage, storage room/shelf to put items that are not allowed to enter the building, handheld scanners, and chairs for inspectors	34,618.34
h)	Installation of additional Network Video Recorder and Cameras, and Access Boom Barriers Control for Basement parking	Not completed	The booms gates at the basement need card activation, which is on the process to be done by the contractor	106,606.42
i)	Conference Hall internet bandwidth facilities	Completed	The contractor has handed over the project to the client	910.42
j)	Installation of full glazed canopy at the front of the building;	Not completed	The metal structure is completed, the glasses have been ordered, the works will be completed in May 2025	56,040.92
k)	Roof top podium cladding;	Completed	The contractor has handed over the project to the client	19,805.89

l)	Modification of washroom doors to improve hygiene;	Completed	The contractor has handed over the project to the client	10,740.27
m)	Parking Lots and Drive ways demarcation;	Completed	The contractor has handed over the project to the client	6,158.69
n)	Installation of gabions at the river bank;	Not done	The work has been approved, and on tendering stage	23,519.67
o)	Installation of fire extinguishers in Lift Machine room and ICT rooms;	Not done	The work has been approved and on tendering stage	32,568.00
p)	Installation of sliding gates at the entrance and exit of the premises	Not completed	Automatic opening and closing of the gates not yet done	
q)	Installation of storm water drainage at the entrance and exit ramps of the Basement or constructing draining system	Completed	The contractor has handed over the project to the client	6,442.62
r)	Installation of iron grills for protection of Water Tanks at the roof top;	Not done	The iron grills for protecting water tanks have not yet started and on procurement stage	TBA
s)	Partitioning of additional meeting rooms at the 4th floor;	Completed	The contractor has handed over the project to the client	TBA
t)	Building of additional toilets at the 3rd floor	Completed	The contractor has handed over the project to the client	TBA
u)	Generator and fuel tank shade	Not done	The shade to protect generators and fuel tank has not yet started.	
v)	Gas installation	Not completed	Improvements to protect gas tank installed at the back of the building including building a concrete wall for safety reasons	
w)	Flood lights	Not done	The flood lights to light up the building has been approved and on procurement stage	
	Total excluding three pending approvals			729,140.69

7.0 OCCUPATION OF THE PAPU TOWER

The building comprises of a full basement, ground floor, first floor to sixteenth floor and a 16th floor mezzanine (17th floor) with a semi accessed roof top. The total floor space covers a total area of 22,421 m².

Currently, the building hosts the following organizations and provides services listed below:

- a. PAPU Head Office;
- b. PAPU ICT Capacity Building Centre;
- c. UPU East Africa Regional Office;
- d. TCRA Northern Zonal office;
- e. Tanzania Posts Corporation Post Office;
- f. Commercial Floors

The building has total lettable space of 9,628.65m². However, the only space subjected to leasing by property manager is 5,440.05m² of which 3,390.55m² is occupied, representing 62.33% of total occupancy.

This shows an improved occupancy rate compared to the previous financial year when the occupancy rate stood at 27.69%. The highlighted improvement was due to better Marketing & Online Visibility, familiarization with the PAPU Tower services since more people became aware of the building functionality; it should be noted that many people originally had the perception that PAPU Tower was not for lease but only meant for diplomatic functions.

7.1 Building Occupancy Since Commissioning on 2nd September 2023:

FLOOR	OCCUPANCY	REMARKS
Basement	<ul style="list-style-type: none">▪ Parking for PAPU and TCRA in full operation▪ Water Tanks▪ Electricity transformer	
Ground Floor	<ul style="list-style-type: none">▪ Tanzania Posts Corporation Post Office▪ Virtual Pay▪ KCB Commercial Bank branch▪ Intrepid Travel▪ Africa the Only Safari	741.2m ² vacant Space
1st Floor	First and ground floor, commercial floors : shopping mall	<ul style="list-style-type: none">▪ 1052.8m² vacant space
2nd Floor	Restaurant and kitchen to cater for Conference Delegates	<ul style="list-style-type: none">▪ Not yet functional
3rd Floor	<ul style="list-style-type: none">▪ 5 break-away collapsible meeting rooms, adjustable to serve as one large meeting room.▪ These rooms can be room or in similar vein two, three, four or five meeting rooms,▪ VVIP holding lounge▪ VVIP boardroom	<ul style="list-style-type: none">▪ The floor has adequate wash-rooms▪ 100 % Occupied

	<ul style="list-style-type: none"> First aid room Main Conference 400-seater Hall, 	
4th Floor	<ul style="list-style-type: none"> 6 break-away meeting rooms, Media room Breast Feeding Room Secretariat room; 	<ul style="list-style-type: none"> 100% occupied
5th Floor	<ul style="list-style-type: none"> Crown Lapidary Ltd East African Local Government Authority Prolaty Property Manager Trademark Africa 	<ul style="list-style-type: none"> Podium restaurant not yet taken
6th Floor	<ul style="list-style-type: none"> African Finance and Management Thinkers Institute Compassion International 	<ul style="list-style-type: none"> 100% occupied
7th Floor	<ul style="list-style-type: none"> Compassion International 	<ul style="list-style-type: none"> 100% occupied
8th Floor	<ul style="list-style-type: none"> Gap Management Institute 	<ul style="list-style-type: none"> 100%
9th Floor	<ul style="list-style-type: none"> African Court Coalition Universal Communication Services Access Fund (UCSAF) 	<ul style="list-style-type: none"> 256m² vacant space Projected occupancy by July 2025
10th Floor	<ul style="list-style-type: none"> Price Waterhouse Coopers (PWC) Occupational Safety and Health Authority (OSHA) 	<ul style="list-style-type: none"> 100%
11th Floor	<ul style="list-style-type: none"> TCRA Northern Zonal office (Vodacom) 	<ul style="list-style-type: none"> 100%
12th Floor	<ul style="list-style-type: none"> TCRA Northern Zonal office 	<ul style="list-style-type: none"> 100%
13th Floor	<ul style="list-style-type: none"> PAPU Head Office 	<ul style="list-style-type: none"> SG and other offices.
14th Floor	<ul style="list-style-type: none"> PAPU Head Office 	<ul style="list-style-type: none"> ASG and other offices UPU East Africa Regional Office
15th Floor	PAPU Head Office	<ul style="list-style-type: none"> ICT Capacity Building Centre
16th Floor	<ul style="list-style-type: none"> VIP restaurant operated by Clouds Entertainment Company Limited; 	<ul style="list-style-type: none"> 100%
17th Floor	<ul style="list-style-type: none"> VIP restaurant operated by Clouds Entertainment Company Limited; 	<ul style="list-style-type: none"> 100%
17th Floor Roof Top	<ul style="list-style-type: none"> Water Tanks, Solar geysers 	

7.2 Convenience Facilities

No.		Potential to be unlocked
1.	Shopping Convenience	<ul style="list-style-type: none"> ▪ Bank branch; ▪ Restaurants; ▪ Commercial floors <ul style="list-style-type: none"> ○ Shopping Mall on ground and first floors.
2.	Conference Facilities	<ul style="list-style-type: none"> ▪ State-of-the-art Modern Conference Facility: <ul style="list-style-type: none"> ○ Main Conference 400-seater Hall; ○ Meeting rooms; ○ 5 break-away collapsible meeting rooms, adjustable to serve as one large meeting room; ○ VVIP lounge with wash-rooms; ○ VIP lounge Board room;
3.	Meeting Communication Facilitation	<ul style="list-style-type: none"> ▪ Interpreters' cubicles for 12 people for 6 different languages, simultaneously; ▪ Modern ICT equipment: <ul style="list-style-type: none"> ○ WIFI Connectivity; ○ Individual microphones and speakers; ○ Power sources for each seat ○ a huge screen and two side screens for the audience ○ One screen for the high table on the elevated Stage. ▪ Press room.
4.	Touristic Services	<ul style="list-style-type: none"> ▪ Roof top aerial viewing of the Arusha City Centre and its surroundings.

12.0 RENTAL COLLECTION STATUS

June 2024 to March 2025	Actual Amount
Rent Revenue	USD 297,747.95 (VAT inclusive)
Service Charge	USD 135,534.37
Total Revenue and Services collected June'24 to March'25	USD 433,282.32 VAT inclusive
Total Revenue and Services collected Sept'23 to March'25	USD 648,629.23 VAT Inclusive.

The Rental and service charge revenues are expected to continue rising as more lettable space is taken up by tenants.

13.0 PROJECTED REVENUE COLLECTIONS

The current lettable space is 5,440.05m², and 62% of it is leased out at **USD 362,538.00** (excluding VAT). However, if the entire lettable space is leased, 100%, the projected total revenue would be **USD 617,432.40** after applying the afore-mentioned rental rates. The service fee per m² is 2.00 USD per month and this gives an annual projected service fee for the leased space the current service charge to stand at USD 137,127.60 per year.

The service charges are not revenue for the Landlord as the amount is set aside for paying the services providers for security and cleaning as well as settling the Utilities bills.

SUMMARY

NO.	SPACE DESCRIPTION	SIZE IN M ²	% TOTAL
1.	Total Lettable Space	5,440.05	100%
2.	Total Rented Space	3,390.05	62%
3.	Vacant Space Spaces	2,050.00	38%
	REVENUE LINE	AMOUNT IN USD	% TOTAL
4.	Per Meter Square Rental-USD	Varies between \$3 and \$11 per square metre	
5.	Projected Revenue	617,432.00	100%
6.	Actual Revenue Generated	362,538.00	58.7%
7.	Variation	254,894.00	41.3%

The detailed per floor revenues are contained in **Annex C**

14.0 THE INVESTMENT PAYBACK PERIOD (IPP)

The investment in the PAPU Tower Project must bring returns to the investors namely PAPU and TCRA. The Project must give the shortest payback period for its owners to get value from their invested resources.

14.1 Project Payback Period

Estimated Operating Expenses	Percentage
Estimated Operating Expenses for conference (EOE)	45%
Estimated Operating Expenses for lettable area (EOE)	35%
Application	
Item	Amount USD
Estimated Annual Cash Flow	1,415,591.95
Estimated Operating expenses for Lettable area	151,270.94
Estimated Operating expenses for conference	442,525.17
Net Annual Cash flow	821,775.84
Investment Payback = Initial invested capital/Net annual cash flow	
Initial invested capital	23 314 226.43
Net Annual Cash flow	821,775.84
Investment Payback Period (IPP) = 28.37	
Conclusion: Investment Payback Period (IPP) is estimated to be after 28 years.	

*Investment Payback Period (IPP) = (Initial Invested Capital / Net Annual Cash Flow)

*Net Annual cash flow = Annual cash flow - Operating expenses

Appendix A

MEMBER STATES WITH OUTSTANDING MANDATORY EQUITY CASH CONTRIBUTION TO PAPU TOWER					
No.	Member State	% point for proportional share	Equal Share (50%)	Pro Rata Share	Total Amount Payable
1.	Benin	0.68	98.05	2,754.00	12,632.05
2.	Cameroon	2.87	9,878.05	11,623.50	21,501.55
3.	Central Africa	0.68	9,878.05	2,754.00	12,632.05
4.	Chad	0.68	9,878.05	2,754.00	12,632.05
5.	Comoros	0.16	9,878.05	648.00	10,526.05
6.	Congo Republic	0.68	9,878.05	2,754.00	12,632.05
7.	Dem. Rep. of Congo	2.48	9,878.05	10,044.00	19,922.05
8.	Equatorial Guinea	0.68	9,878.05	2,754.00	12,632.05
9.	Eritrea	0.16	9,878.05	648.00	10,526.05
10.	Gabon	1.44	9,878.05	5,832.00	15,710.05
11.	Gambia	0.16	9,878.05	648.00	10,526.05
12.	Ghana	1.59	9,878.05	6,439.50	16,317.55
13.	Guinea	0.97	9,878.05	3,928.50	13,806.55
14.	Liberia	0.16	9,878.05	648.00	10,526.05
15.	Libya	8.62	9,878.05	34,911.00	44,789.05
16.	Nigeria	8.62	9,878.05	34,911.00	44,789.05
17.	Sierra Leone	0.16	9,878.05	648.00	10,526.05
18.	Somalia	0.68	9,878.05	2,754.00	12,632.05
19.	Sudan	3.16	9,878.05	12,798.00	22,676.05
20.	Togo	0.68	9,878.05	648.00	10,526.05
	Total		197,561.00	140,899.50	338,460.50

Appendix B

OUTSTANDING VOLUNTARY CONTRIBUTION TO PAPU HOUSE			
S/N	Member State / Organization	Amount pledged (USD)	Amount outstanding (USD)
1	Cameroon	10,000.00	10,000.00
2	Niger	30,000.00	30,000.00
3	African Union Commission	100,000.00	100,000.00
	Total outstanding voluntary contributions	140,000.00	140,000.00

ANNEX C: PROJECTIONS

I. LETTABLE SPACE PROJECTION

S/N	TENANT'S NAME	FLOOR	LETTABLE SPACE (SQM)	RENT/MONTH (VAT EXCL.) (USD)	SCHARGE/MONT H (VAT EXCL.) (USD)
1.00	Vacancy	GF	741.20	8,153.20	1,482.40
2.00	KCB Bank	GF	262.00	2,882.00	524.00
3.00	POSTA	GF	65.80	-	131.60
4.00	Intrepid Travel	GF	20.00	220.00	40.00
5.00	Virtual Pay	GF	20.00	220.00	40.00
6.00	Africa the only safari	GF	20.00	220.00	40.00
7.00	Vacancy	F1	1,052.80	10,528.00	2,105.60
8.00	Restaurant and Kitchen	F2	1,312.50	-	2,625.00
9.00	TradeMark Africa	F5	128.00	1,280.00	256.00
10.00	Restaurant and Kitchen	F5	488.50	-	977.00
11.00	Crown Lapidary Limited	F5	192.00	1,920.00	384.00
12.00	EALGA	F5	85.00	850.00	170.00
13.00	Property Manager office	F5	64.00	-	128.00
14.00	AFMTI	F6	64.00	640.00	128.00
15.00	Compassion international	F6	400.00	4,000.00	800.00
16.00	Compassion international	F7	464.00	4,640.00	928.00
17.00	Gap Management Institute Tz	F8	456.40	4,564.00	912.80
18.00	African Court Coalition	F9	85.00	850.00	170.00
19.00	UCSAF	F9	128.00	1,280.00	256.00
20.00	Vacancy	F9	256.00	2,560.00	512.00
21.00	PWC	F10	236.65	2,366.50	473.30
22.00	OSHA	F10	256.00	2,560.00	512.00
23.00	TCRA	F11	522.00	-	1,044.00
24.00	TCRA	F12	486.90	-	973.80
25.00	PAPU	F13,14,15	1,248.90	-	2,497.80
26.00	Clouds Media	F17	573.00	1,719.00	1,146.00
	Total Lettable Space	Monthly (USD)	9,628.65	51,452.70	19,257.30
		Annually (USD)		617,432.40	231,087.60

Notes: All other factors remaining constant the annual % of capacity utilization is estimated at 70%

The revenue per year for lettable area will be USD	432,202.68	USD
Annual service charge for lettable area will be USD	161,761.32	USD
TOTAL COLLECTION =	593,964.00	USD

II. CONFERENCE PROJECTION

Based on the conference events held from June 2024 and Expected meetings to 30 July 2025, we project as follows:

Venue Capacity

The conference facilities can host **600 participants at once**
Assuming we're open **250 business days/year**

Max Participant-Day Capacity:

600 participants × 250 days = 150,000 participant-days/year

Actual This Year:

We have used **13,055 participant-days**

Percentage of Annual Capacity Used:

Metric	Value
Max Capacity (annual)	150,000 participant-days
Used So Far Up to June 2025	13,055 participant-days
% of Capacity Utilized	8.7%

Given that the 8.7% income generated from July 2024 to June 2025 was TZS 776,435,175.00

You take TZS 776,435,175 divide by 8.7%

To calculate full utilized conference facility (100% utilized)

Total revenue for full utilize conference is TZS 8,924,542,241.38

Now, you calculate the amount for 30% utilization of conference facilities

you take TZS 8,924,542,241.38 multiply by 30%

Total revenue for 30% utilized conference is TZS 2,677,362,672.4

Which is equivalent to USD = **1,029,754.87**

However, the estimated Service charge will be USD= **46,365.6**

Notes: All other factors remaining constant the annual % of capacity utilization is estimated at 30%

The revenue per year for conference will be USD	983,389.27	USD
Annual service charge for conference will be USD	46,365.60	USD
TOTAL COLLECTION =	1,029,754.87	USD

SUMMARY FOR I+II

PROJECTIONS I: LETTABLE AREA	432,202.68	USD
PROJECTIONS II: CONFERENCE	983,389.27	USD
TOTAL ESTIMATED ANNUAL CASH FLOW S.CHARGE EXCLUSIVE	1,415,591.95	USD

PAYBACK PERIOD FORMULA

Investment Payback Period (IPP)= (Initial Invested Capital / Net Annual Cash Flow)

Net Annual cash flow= Annual cash flow - Operating expenses

ESTIMATED ANNUAL COSTS FROM REVENUE COLLECTIONS

Estimated Operating Expenses for conference (EOE)= 45%

Estimated Operating Expenses for lettable area (EOE)= 35%

Estimated Annual Cash Flow	=	1,415,591.95	USD
Estimated Operating expenses for Lettable area	0.35	151,270.94	USD
Estimated Operating expenses for conference	0.45	442,525.17	USD
Net Annual Cash flow	=	821,775.84	USD

Therefore;

Investment Payback Period= Initial invested capital/Net annual cash flow

Initial invested capital	23,314,226.43	USD
Net Annual Cash flow	821,775.84	USD
Investment Payback Period (IPP)=	28.37	

Investment Payback Period (IPP) is estimated to be after 28 years.