

# NASRA ESTATES COMPANY LIMITED



**PROJECT PROPOSAL FOR THE PROPOSED MIXED USE PROJECT ON  
PLOT NO. 9/15, 10/15, 11/15 AND 12/15 TANDAMTI STREET UNDER  
JOINT VENTURE ARRANGEMENTS WITH NHC.**



**SUBMITTED TO;  
NATIONAL HOUSING CORPORATION,  
P.O BOX 2977,  
UFUKONI ROAD,  
DAR ES SALAAM.**

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## **CHAPTER ONE**

### **1.0 INTRODUCTION**

#### **1.1 Background Information**

Nasra Estates Company Limited is a diverse property company encompassing all facets of property, from commercial sales and leasing through to residential property, business sales, commercial, residential and shopping centre asset management. The company also engages in property development.

We boast a Management Team with over 20 years of experience in the industry which is rarely matched in today's property market. With innovative electronic marketing strategies, commitment to personal relationships and aggressive ongoing annual growth targets in place, the Company is planning to progress well into the future.

#### **1.2 Vision**

Our vision is to be the leading real estate service provider in the region and the preferred place of employment for real estate professionals. We consistently strive to develop collaborative partnerships, based on transparency and mutual trust, which serve to build enduring client relationships. As we expand, we're committed to these principles, which have served our company and clients through the years.

#### **1.3 Mission**

Nasra Estates Company Limited is dedicated to achieving our vision by creating an energetic, positive, results-driven work environment focused on the investment and development of long-term relationships. We measure our success by the results delivered to clients. Our ethics are built on our commitment to offer superior customer service, combining an entrepreneurial flair and bespoke service of a fast-growing organization.

## **1.4 Core Values**

### **Best Customer Service**

We always strive to learn and improve from our mistakes in order to better our services. We continuously research ways to make our clients satisfied.

### **Integrity**

We conduct ourselves in the highest ethical standards, demonstrating honesty and fairness in every decision and action.

### **Courage**

We make decisions and act in the best interests of our clients, even in the face of personal or professional adversity.

## **1.5 Objectives of the Company**

Nasra Estates Company Limited was established on 13<sup>th</sup> February 2008 to fulfill a number of objectives including but not limited to the following:-

1. To carry on the business of property development within the city of Dar es Salaam and elsewhere within Tanzania Mainland and Island;
2. To let on lease any such premises or parts thereof and to provide such facilities for the tenants thereof as are commonly provided in residential premises, business offices or hotels;
3. To acquire by purchase lease, exchange, or otherwise properties, land, houses, and buildings in Tanzania; and
4. To construct, erect and maintain either by the company or other parties buildings, houses, flats, shops, roads, sewers and all other similar work.

## **1.6 Products and Services**

### **Development & Construction**

Construction and management is the foundation of the development process whether it be commercial or residential. Understanding the process is one thing but pushing that forward through to construction and the lease and sale of end product all through the one company is rare. Nasra Estates Company Limited has been involved

in construction of numerous commercial cum residential projects. Nasra Estates Company Limited has successfully implemented a joint venture project with NHC at Kisarawe Street, Gerezani Dar es Salaam. The project includes 72 residential apartments, 39 office units and 23 retail shops.

### **Asset Management**

Our asset management team has years of experience within the industry and our dedication and personal service is not only driven through our owners but we also build better relationships with our tenants which flows to the bottom line. Our unique management system delivers a full service with a one off monthly management fee that takes away that percentage factor and saves you the client money. We let people focus on creating and nurturing relationships with owners and tenants, while letting our technology handle the day-to-day transactions

### **1.7 Proposed Joint Venture Project**

Nasra Estates Company Limited intends to re-develop recently advertised NHC's Plot No. 3 & 4 Block 9 Tandanti Street, in Kariakoo, Dar es Salaam under Joint Venture arrangements particularly under the model that allows the partner to own 40% of the project after 15 years. Nasra Estates Company Limited plans to construct 12 storey mix uses building which will include retail shops, storage, parking and residential apartments.

### **1.8 Objective of the project**

The main objective of the project is to offer return on investment to Partners while at the same time contributing towards Government's efforts in improving the Kariakoo Market.

Other specific objects are:-

- i. Improving business conditions in Kariakoo;
- ii. Employment generation; and
- iii. Urban redevelopment to accommodate current and future needs.

## CHAPTER TWO

### 2.0 PROPOSED PROJECT DTAILS

This chapter provides details of the proposed project including objectives of the project, site details, project scope and other project related details.

#### 2.1 Project Objectives

The principle objective of the proposed project is to create return on investment to partners

Other specific objectives include the following:-

- To make optimal use of the prime land;
- To complement the new Kariakoo market currently under renovation;
- To construct a commercial/residential building with a total GFA of 12,525.00 square meters for lease under joint venture arrangements;

#### 2.2 Site context

The project will be implemented on Plot No. 9/15, 10/15, 11/15 and 12/15 Tandamti, Street Kariakoo. The project is located in a very prime area within Kariakoo which is highly populated thus highly demanded. Currently the plots contains 3 storey buildings each containing commercial and residential units.

#### 2.3 Site Context

The neighborhood is characterized by multi-storey old commercial cum residential buildings most of them being NHC's properties. Like the rest of Kariakoo, the neighborhood is congested with small/retail to whole sale businesses hence attractive for the proposed investment.

#### 2.4 Scope of the proposed project

The proposed project include Scope of the proposed project entails construction of twelve storey mix uses building with a total gross floor area of 12,525.00 square meters which will provide retail shops, stores, parking and residential apartments.

**Table 1: Space Matrix**

No.	Use	GFA	NFA	Proposed use
1	2 Floor Underground Basement	1,560.00	1,248.00	Parking
2	Ground Floor	725.00	580.00	Shops
3	1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> , 4 <sup>th</sup> & 5 <sup>th</sup> Floor	4,750.00	3,800.00	Shops
4	6 <sup>th</sup> , 7 <sup>th</sup> , 8 <sup>th</sup> , 9 <sup>th</sup> & 10 <sup>th</sup> Floor	4,750.00	3,800.00	Storage
6	11 <sup>th</sup> & 12 <sup>th</sup> floor	1,710.00	1,368.00	Residential
	<b>Total</b>	<b>12,525.00</b>	<b>10,020.00</b>	

## 2.5 Technical specifications of the proposed projects:-

- Architectural Design: Modern urban design;
- Structure: reinforced concrete and concrete blocks;
- Walls: The walls are of light weight concrete block with various finishes in reference to the use of the space;
- Internal paint: Washable paints;
- External paint: Antifungal and weather resistant paints;
- Floor: Terrazzo or tiles floor finish for staircases and along corridors and rooms; and
- Doors and Windows: For residential units the doors will be made of hard wood frame, timber panels and hollow framed.

## 2.6 Concept Design

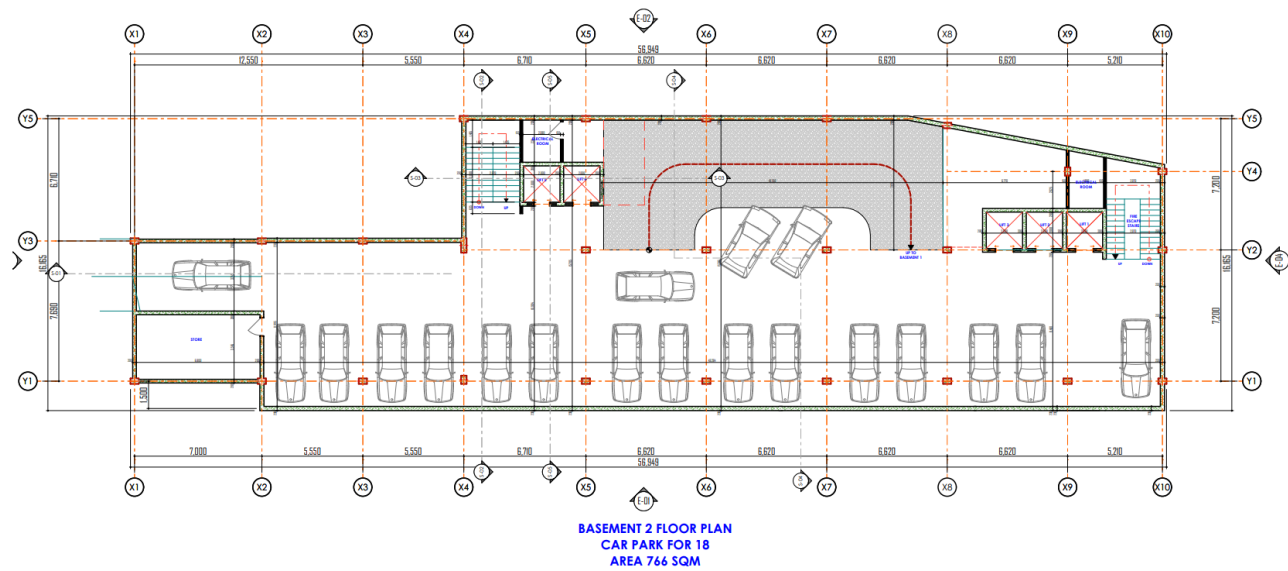
The project will involve construction of a twelve storey building for commercial cum residential use. The 2 basement will be used for parking. Ground, First floor, Second floor, Third floor, Fourth floor & Fifth floor will be for shops. Sixth floor, Seventh, Eighth floors, Ninth floor and Tenth floor will be used for storage. The remaining 2 floors will be for residential apartments.

## 2.1.1 Concept Design

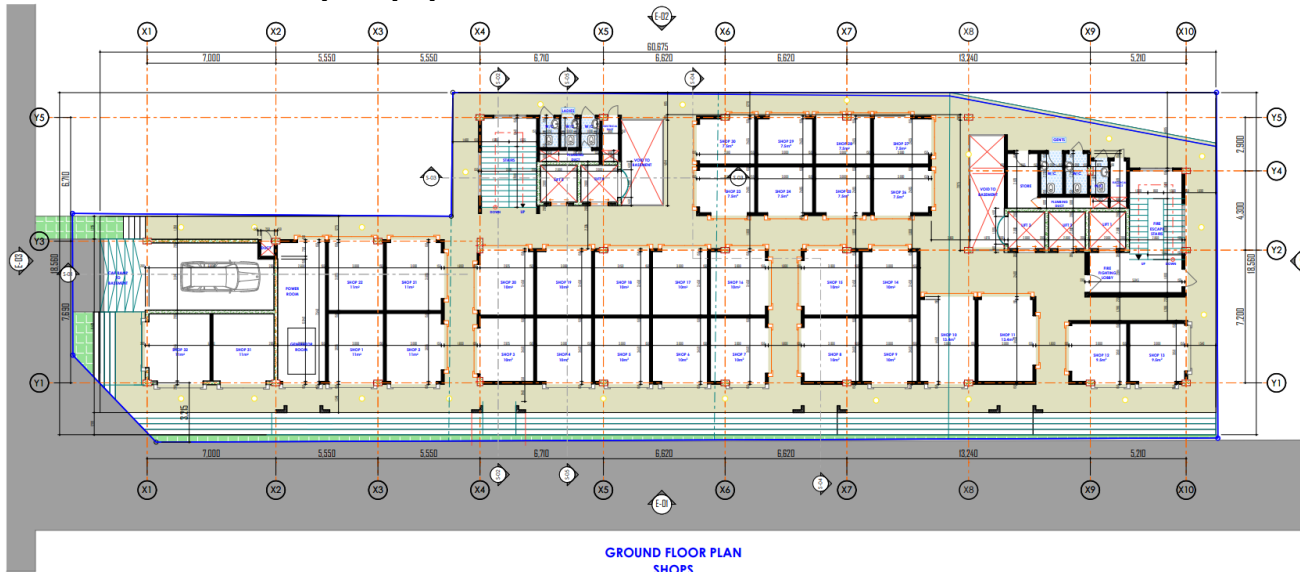


## 2.1.2 Floor Plans

### i. Basement Floor Plan (Shops)

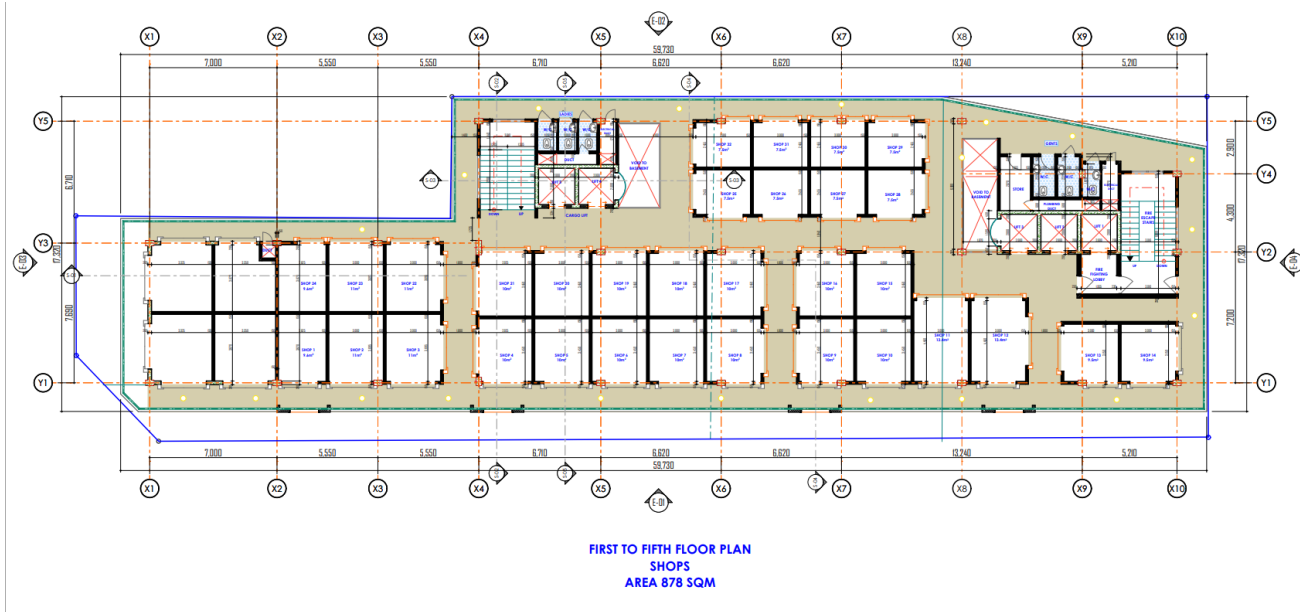


ii. **Ground Floor Plan (Shops)**



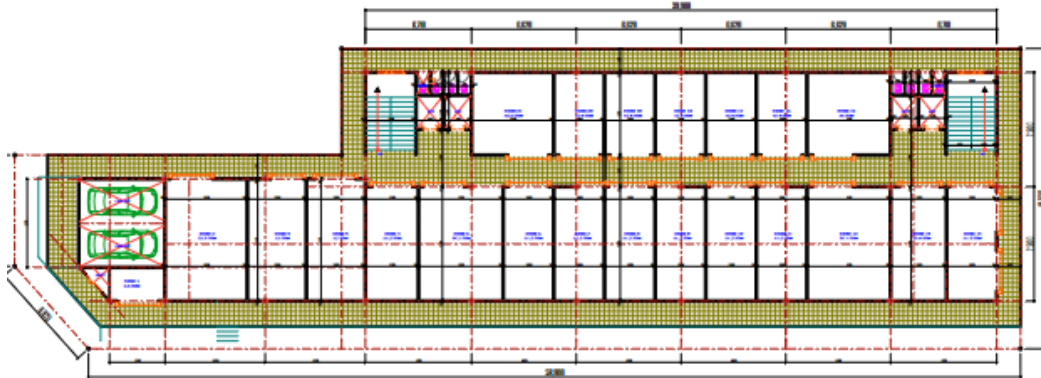
**GROUND FLOOR PLAN  
SHOPS  
AREA 725 SQM**

iii. **First to Fifth floor (Shops)**

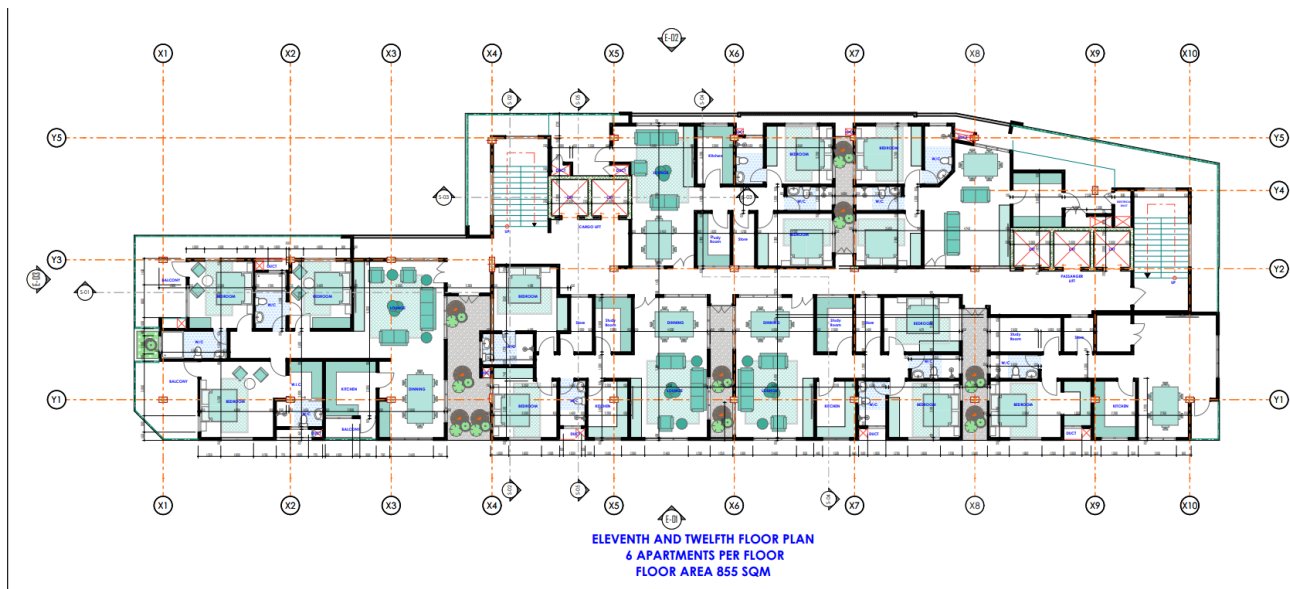


**FIRST TO FIFTH FLOOR PLAN  
SHOPS  
AREA 878 SQM**

iv. **Fifth to Tenth Floor (storage)**



v. **Eleven to Twelfth (residential apartments)**



**2.7 Availability of Key Infrastructure on Projects' Site**

The project site (existing building) is connected to key infrastructures such as clean water, electricity, roads (tarmac road-Tandanti and Congo) and sewage system. Since the proposed project will involve demolishing the existing property, respective authorities will be involved in all project implementation stages to ensure key services/infrastructures are connected to the project once completed.

## CHAPTER THREE

### 3.0 REAL ESTATE MARKET ASSESSMENT

The analysis carried out in this chapter is based on findings of comprehensive market assessment conducted in Kariakoo and its environs. This section provides market assessment highlighting demand for and supply of residential apartments and commercial retail spaces around the project area.

The market assessment covered a number of areas in order to provide a thorough understanding of the current market conditions in Kariakoo and its environs. Such areas includes:-

- i. Market Assessment: Assessment of the real estate markets in Kariakoo highlighting the prevailing market trends and sector opportunities.
- ii. Site Analysis: An assessment of the site, detailing the location, surrounding environment, attributes and constraints, demand generators, summarized by a SWOT analysis.

#### 3.1 Residential Market Overview

Tanzania has a population of 59.7 million people in 2020, and its population is expected to exceed 60 million during 2020. With a growth rate of over 3 percent a year, Tanzania has the 14<sup>th</sup> fastest rate of population growth in the world. By 2030, the number of people in Tanzania is projected to increase to over 79 million and by 2050 it could exceed 129 million people. Tanzania had 12.3 million households in 2018 of which 8.2 million (66 percent) are in rural areas and 4.2 million (34 percent) are in urban areas. Over the next five years, the number of households in rural areas will increase by 255 000 a year and urban households by 130 000 per year. This rapid urbanization, coupled with a reducing average household size, will require consistently larger numbers of smaller, more affordable housing units to satisfy urban housing demand from rural-urban migrants and newly-formed families in urban areas.

### 3.2 Existing Stock & Future Supply

Tanzania's housing demand will be met through five key delivery processes, most likely in the following order of scale. First, through the rapid expansion of informal rental accommodation, mostly in the form of Chumba accommodation (rooms with shared or separate ablutions) in slum areas. Second, existing built-up areas will face increased population densities through greater co-living arrangements. Third, existing accommodation will be extended to accommodate larger or multiple households. Fourth, households able to access land will build their houses incrementally; and finally, through formal accommodation development, sale and rental. The prevalence of informal housing delivery processes therefore offers an important direction for future housing policy in Tanzania

The formal delivery of completed housing units (Nyumba) is very limited, compared to demand. The NHC has a limited number of developments under way (for sale and rental). Public and Parastatal organizations are obligated to provide housing for their staff and do so on a limited basis. Pension funds increasingly invest in housing, and complete around 1 000 units per year in total. Co-operatives are estimated to have delivered around 1 000 units per annum. In 2018 /19, a total of 130 housing developers entered developments totaling 24, 870 units on the national developers database. However, it is not yet known how many of these projects have been completed since registration.

### 3.3 Rental rates for residential apartments and retail space in Dar es Salaam

Rental rates in Dar es Salaam fluctuate greatly due to location and quality. Prime areas in Dar es Salaam are Oyster Bay, Masaki, Msasani, Mbezi Beach among others which are dominated by embassies and expatriates. Mid-market areas include Upanga and Kisutu and Kariakoo which is to a large extent characterized by commercial premises.

Below table summarizes rental rates for projects visited during preparation of the Feasibility Study.

Table No. 2: Prevailing Lease rates

Sn	Developer /project	Location	House type	No. of rooms	Leasing rates per month
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1	TZ Agency	Aggrey	Residential	2	TZS 650,000 per unit
2	TZ Agency	Swahili	Apartments	3	TZS 900,000 per unit
3	Private	Livingstone	Apartments	3	TZS 800,000 per unit
4	Bin Affan & Sons	Tandanti	Mixed use	12-16 sqm	TZS 25,000-40,000 per sqm
5	Asenga	Jangwani Street	Mixed use	6-20 sqm	400,000-1,200,000/unit
6	Mrieny Tower	Jangwani Street	Mixed use	3 bedrooms (residential) 8-30 sqm (retail shops)	<ul style="list-style-type: none"> <li>• 750,000 per unit for residential</li> <li>• 400,000-1,500,000 per unit for retail shops</li> </ul>

### 3.4 SWOT Analysis

Strength	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> <li>• Available financial resources to implement the project</li> <li>• Plots are located in a very prime area</li> <li>• Existing demand for commercial and residential properties in Kariakoo</li> <li>• Projects offer a wide range of choices to the clients (retail, stores &amp; residential)</li> <li>• Available market for the property.</li> </ul>	<ul style="list-style-type: none"> <li>• Low rental rates</li> <li>• Design constraints</li> <li>• Congestion which will make construction difficult</li> </ul>	<ul style="list-style-type: none"> <li>• High demand for retail spaces and stores</li> <li>• Ongoing renovation and expansion of Kariakoo market</li> <li>• A room for innovative products.</li> </ul>	<ul style="list-style-type: none"> <li>• Micro-economic instability.</li> <li>• Inflation - leading to high construction and operating costs.</li> <li>• Existing and prospect competition</li> </ul>

## CHAPTER FOUR

### 4.0 PROJECT FINANCIAL ASSESSMENT

This chapter provides financial analysis of the proposed project. In order to determine whether or not the proposed is likely to be feasible, a range of factors have been analysed including but not limited to; total project cost, rental rates and expected revenues, rental escalations, occupancy levels, current and operational costs.

#### 4.1 Financial Model Assumptions

The financial assessment and projections are based on the following assumptions:-

- (i) The project is proposed to be developed on Plot No. 9/15, 10,15,11/15 and 12/15 Tandanti Street covering 1,075.00 sqm;
- (ii) Total construction to consist 12,525.00 square meters GFA;
- (iii) The proposed project will include:
  - Shops in the basement, ground, first to fifth floors;
  - Stores in the 6<sup>th</sup> to 10<sup>th</sup> floors; and
  - Residential apartments from 11<sup>th</sup> to 12<sup>th</sup> floor.
- (iv) All units (residential and retail) will be for lease;
- (v) The project to be implemented within 18 months;
- (vi) Construction work to start from July 2024;
- (vii) Revenue stream –Rental;
- (viii) Depreciation cost is calculated at 2% of property cost; and
- (ix) Discounting rate is 11.15%.

#### 4.2 Investment Plan

- (a) The estimated total project cost is 18,491,731,517

(b) The summary of the investment plan is presented in Table No.3 below

Table No. 3: Capital Expenditure

<u>PROPOSED COMMERCIAL/RESIDENTIAL BUILDING AT PLOT NO 9/15,10/15,11/15 AND 12/15 KONGO AND TANDANTI STREETS, KARIAKOO DAR ES SALAAM</u>			
<u>GENERAL SUMMARY</u>			
Bill no.	Bill Description	Currency	Amount
1	PRELIMINARIES - 3%	Tshs.	440,228,832
2	BUILDERS WORKS	Tshs.	10,565,717,000
3	ELECTRICAL INSTALLATION	Tshs.	1,645,579,130
4	ICT INSTALLATION	Tshs.	294,520,000
5	PLUMBING INSTALLATIONS	Tshs.	995,588,434
6	HVAC INSTALLATION	Tshs.	331,969,820
7	PC AND PROVISIONAL SUMS	Tshs.	840,920,000
8	<u>ADD</u>		
9	Provide for INSURANCE AND SECURITY	Tshs.	100,000,000
10	<b>SUB-TOTAL (B)</b>	Tshs.	<b>15,214,523,216</b>
11	Provide for CONTIGENCY @ 3%	Tshs.	456,435,696
12	<b>SUB-TOTAL (B)</b>	Tshs.	<b>15,670,958,912</b>
13	VAT at 18% of (B)	Tshs.	2,820,772,604
14	<b>FIXED PRICE AMOUNT CARRIED TO FORM OF TENDER</b>	Tshs.	<b>18,491,731,517</b>

### 4.3 Revenues Generation Plan

- (a) The project will generate revenues from rental of retail shops, stores, parking and residential units.
- (b) The project is expected to generate revenues of TZS 2,688,076,800 in Year 1 escalating to TZS 5,896,742,172 in the 15<sup>th</sup> Year.
- (c) The revenue will be shared between Nasra Estates and NHC at a ratio of 75%: 25% respectively for a period of 10 years then 50%: 50% for five years.

Table 4: Revenue Generation (5 first years)

PROPOSED MIX USES PROJECT ON PLOT 9-12/15 TANDAMTI, KARIAKOO				Year 1	Year 2	Year 3	Year 4	Year 5
Occupancy Rates	Rental rate per floor	Size(sqsm)	TZS/Sqsm					
	<b>Retail Shops</b>							
	Basement	624.00	70,000.00	524,160,000	524,160,000	524,160,000	524,160,000	524,160,000
	Ground Floor	580.00	70,000.00	487,200,000	487,200,000	487,200,000	487,200,000	487,200,000
	1st, 2nd & 3rd Floor	2,280.00	40,000.00	1,094,400,000	1,094,400,000	1,094,400,000	1,094,400,000	1,094,400,000
	<b>Parking</b>							
	4th & 5th Floor	1,520.00	3,000.00	54,720,000	54,720,000	54,720,000	54,720,000	54,720,000
	<b>Storage</b>							
	6th, 7th, & 8th Floor	2,280.00	15,000.00	410,400,000	410,400,000	410,400,000	410,400,000	410,400,000
	<b>Residential Apartments</b>							
9th, 10th, 11th & 12th Floor	2,736.00	11,000.00	361,152,000	361,152,000	361,152,000	361,152,000	361,152,000	
Rental rate per floor		Percentage	90.0%	100%	100%	100%	100%	
Rental escalation 15% every 3 yrs		%			15%			
Rental Incomes	<b>Retail Shops</b>							
	Basement	624.00	70,000.00	471,744,000	524,160,000	602,784,000	602,784,000	602,784,000
	Ground Floor	580.00	70,000.00	438,480,000	487,200,000	560,280,000	560,280,000	560,280,000
	1st, 2nd & 3rd Floor	2,280.00	40,000.00	984,960,000	1,094,400,000	1,258,560,000	1,258,560,000	1,258,560,000
	<b>Parking</b>							
	4th & 5th Floor	1,520.00	3,000.00	49,248,000	54,720,000	54,720,000	54,720,000	54,720,000
	<b>Storage</b>							
	6th, 7th, & 8th Floor	2,280.00	15,000.00	369,360,000	410,400,000	471,960,000	471,960,000	471,960,000
	<b>Residential Apartments</b>							
	9th, 10th, 11th & 12th Floor	2,736.00	11,000.00	325,036,800	361,152,000	415,324,800	415,324,800	415,324,800
<b>Total Rental Revenue</b>			<b>TZS/Year</b>	<b>2,688,076,800</b>	<b>2,986,752,000</b>	<b>3,418,348,800</b>	<b>3,418,348,800</b>	<b>3,418,348,800</b>
			<b>% revenue to NASRA</b>	<b>25%</b>	<b>25%</b>	<b>25%</b>	<b>25%</b>	<b>25%</b>
NHC share		NHC	672,019,200	746,688,000	854,587,200	854,587,200	854,587,200	
Partner's share		NASRA ESTATES	2,016,057,600	2,240,064,000	2,563,761,600	2,563,761,600	2,563,761,600	

#### 4.4 Operating Cost Plan

(a) The assumptions on the projected Operating expenses for the project are:-

- (i) Parties to contribute to the operational costs based on shareholding percentage except for such services which will be covered by the service charges.
- (ii) Property tax TZS 50,000 Per floor;
- (iii) Withholding tax is 10% of the total annual incomes;
- (iv) Maintenance to begin after three years upon project completion.

Table 5: Five years Operational Costs

Year			Year-1	Year-2	Year-3	Year-4	Year-5
<b>Operating cost assumptions</b>							
	Maintenance & repairs	of Annual Rental				2.00%	2.00%
	Property tax	of Buildings	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00
	Land rent	TZS/Year	150	150	150	150	150
	Withholding tax	of Annual Incomes	10.00%	10.00%	10.00%	10.00%	10.00%
	Administrative Costs	of Annual Rental	1.0%	1.0%	1.0%	1.0%	1.0%
<b>Operating Costs</b>							
	<b>Months of Operations</b>		<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>
	Maintenance & repairs		-	-	-	25,220,952	25,220,952
	Administrative Costs		20,160,576	22,400,640	25,637,616	25,637,616	25,637,616
	Statutory Expenses						
		Property tax	450,000	450,000	450,000	450,000	450,000
		Land rent	120,938	120,938	120,938	120,938	120,938
		Withholding tax	201,605,760	224,006,400	256,376,160	256,376,160	256,376,160
	Statutory Expenses		202,176,698	224,577,338	256,947,098	256,947,098	256,947,098
	<b>Total Operating costs</b>		<b>222,337,273.50</b>	<b>246,977,977.50</b>	<b>282,584,713.50</b>	<b>307,805,665.50</b>	<b>307,805,665.50</b>
	Operating cost % of Revenues		16.87%	16.87%	16.81%	18.31%	18.31%

#### 4.5 Financial Results

The revenues generation model is made up of leasing all units that is shops, stores, parking and residential apartments. The analysis shows the project is a viable proposition for both parties.

Financial viability of the project shows positive Net Present Value of TZS 493,180,163 and an Internal Rate of Return of 11.5%, which is greater than the alternative investment which has a return of 11.15%. The payback period of the project is expected to be 7.9 years suggesting that the project will be able to return its investment and meet operational costs.

#### **4.6 Economic Viability:**

The project is economically viable because it has a number of social economic values to the country. These are such as:

- i. The project will create employment opportunities to the citizens (direct and indirect jobs) during construction stage.
- ii. The government will benefit from the project in terms of Value Added Tax, and property tax.
- iii. Furthermore, the business community that will lease spaces in the building will pay for business licences and other levies hence enabling the Government to provide public services to the society.

#### **4.7 Social Aspects**

- (a) The project is socially desirable because it will contribute towards reducing housing deficit in Dar es Salaam by providing quality houses for the general public.
- (b) The project will improve business environment in Kariakoo by providing quality retail space and parking services.

## CHAPETR FIVE

### 5.0 PROJECT IMPLEMENTATON PLAN

The envisaged project will be implemented through a Joint Venture Model between Nasra Estates Company Limited and NHC. Under this model, NHC will contribute land only and the investor will finance construction and other project associated costs. Upon completion of the project, revenue generated from rentals will be shared between the investor and NHC as established in the financial analysis.

#### 5.1 Project Duration

It is anticipated that the project will be implemented within 18 months from January 2022 subject to signing of the Joint Venture Agreement with.

**Table 6: Tentative Project Implementation Schedule**

SN	Activity	Period (Months)	Lead Times
1	Negotiations and signing of agreement	1	January 2023 –Feb 2023
2	Eviction of sitting tenants and Mobilization	3	July 2024 – August 2024

3	Construction	36 months	August 2024 –September 2024
	<b>Total</b>	<b>40</b>	<b>January 2023– July 2024</b>

## 5.2 Project Operations

Nasra Estates Company Limited will benefit from 75% of the building for a period of 10 years and NHC 25% of the same. After 10 years, additional 25% will revert to NHC to make the shareholding of 50%:50% which will run for a period of 5 years and thereafter additional 10% will revert to NHC to make the permanent shareholding of 40% for Nasra Estates Company Limited and 60% for NHC.

## 5.3 Post Construction Management

Upon completion of construction, parties will agree on modality to manage the project. This may include agreeing on the common services, service charges and procuring a property management firm to manage the project. At this point parties will also agree on whether NHC to lease its share to Nasra Estates Company Limited thus Nasra Estates Company to operate the whole building or NHC to operate it share.

## CHAPTER SIX

### 6.0 PROJECTS RISK ASSESMENT AND MITIGATION MEASURES

There are several risks which may face the proposed project. These risks are identified so that the partners are aware and necessary precautions to alleviate or minimize are taken into account during the construction and operational phases. Risks identified in this chapter are residual risks, that is risks which remain after efforts to identify and eliminate some or all types of risk have been made.

Table 1: Project's Risk Analysis

Sn	Risk	Likelihood	Impact	Mitigation
1	<b>Financial risk</b> Possibility of investor not obtaining required financial resources to complete the project.	Low	Extreme	<ul style="list-style-type: none"><li>• Borrowing from financial institutions</li></ul>
2	Possibility of failing to lease constructed houses	Low	Extreme	<ul style="list-style-type: none"><li>• Reviewing rental rates</li></ul>

3	<b>Political Risk</b> Political decisions that may affect the project	Low	High	<ul style="list-style-type: none"> <li>• Adhering to all development requirements</li> <li>• Adherence to Government laws, regulations and policies</li> </ul>
4	<b>Regulatory risks</b> –changes in regulations such as Zoning Codes, Environmental Regulations etc may affect implementation of the project.	Low	Low	<ul style="list-style-type: none"> <li>• Obtaining approvals from all relevant authorities prior projects implementation</li> </ul>

## CHAPTER SEVEN

### 7.0 OBSERVATIONS AND RECOMMENDATIONS

#### 7.1 Observations

- i. The Assessment conducted noted high demand for retail spaces and residential units in Kariakoo.
- ii. Viability analysis conducted indicated that the proposed project is a viable venture for both parties. Project's performance indicators shows that the proposed project has a positive NPV of TZS 493,180,163, IRR of 11.5% which is higher than the alternative Risk Free Treasury Bond Coupon Rate of 15 years and a Payback Period of 7.9 years.
- iii. The proposed project site is located in a very prime area, and connected with key infrastructures. The Site has two access roads (Tandamti/Congo) which adds value to the property.

#### 7.2 Recommendations

In view of the above observations it is recommended that:-

- a) Engagement of stakeholders particularly service providers such as DAWASA, and TANESCO to be done at earliest to ensure the project site are connected with water and electricity after redevelopment.
  
- b) Timely engagement of siting tenants to ensure evicted is conducted smoothly and they don't pose challenges for the proposed project. Priority can be given to them once construction is completed.

**Appendix I: Capital Expenditure**

<b>LAND COSTS</b>		
Total land size(sqm)	1,075.00	
Land value per sqm	3,956,942.09	
Land Value	<b>4,253,712,750.00</b>	
<b>CONSTRUCTION COST</b>		
Measured Works		16,908,750,000.00
Preliminaries		1,183,612,500.00
Prime Costs and Provisional Sum		2,536,312,500.00
<b>Sub Total</b>		<b>20,628,675,000.00</b>
Total Project Costs		24,882,387,750.00

## Appendix II: Revenue

			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Rental rate per floor	Size(sqsm)	TZS/Sqm															
<b>Retail Shops</b>																	
Basement	624.00	70,000.00	524,160,000	524,160,000	524,160,000	524,160,000	524,160,000	524,160,000	524,160,000	524,160,000	524,160,000	524,160,000	524,160,000	524,160,000	524,160,000	524,160,000	524,160,000
Ground Floor	580.00	70,000.00	487,200,000	487,200,000	487,200,000	487,200,000	487,200,000	487,200,000	487,200,000	487,200,000	487,200,000	487,200,000	487,200,000	487,200,000	487,200,000	487,200,000	487,200,000
1st, 2nd & 3rd Floor	2,280.00	40,000.00	1,094,400,000	1,094,400,000	1,094,400,000	1,094,400,000	1,094,400,000	1,094,400,000	1,094,400,000	1,094,400,000	1,094,400,000	1,094,400,000	1,094,400,000	1,094,400,000	1,094,400,000	1,094,400,000	1,094,400,000
<b>Parking</b>																	
4th & 5th Floor	1,520.00	3,000.00	54,720,000	54,720,000	54,720,000	54,720,000	54,720,000	54,720,000	54,720,000	54,720,000	54,720,000	54,720,000	54,720,000	54,720,000	54,720,000	54,720,000	54,720,000
<b>Storage</b>																	
6th, 7th, & 8th Floor	2,280.00	15,000.00	410,400,000	410,400,000	410,400,000	410,400,000	410,400,000	410,400,000	410,400,000	410,400,000	410,400,000	410,400,000	410,400,000	410,400,000	410,400,000	410,400,000	410,400,000
<b>Residential Apartments</b>																	
9th, 10th, 11th & 12th Floor	2,736.00	11,000.00	361,152,000	361,152,000	361,152,000	361,152,000	361,152,000	361,152,000	361,152,000	361,152,000	361,152,000	361,152,000	361,152,000	361,152,000	361,152,000	361,152,000	361,152,000
<b>Occupancy Rates</b>																	
Rental rate per floor		Percentage	90.0%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Rental escalation 15% every 3 yrs		%			15%			15%			15%			15%			15%
<b>Rental Incomes</b>																	
Retail Shops		TZS/Sqm															
Basement	624.00	70,000.00	471,744,000	524,160,000	602,784,000	602,784,000	602,784,000	693,201,600	693,201,600	693,201,600	797,181,840	797,181,840	797,181,840	916,759,116	916,759,116	916,759,116	1,054,272,983
Ground Floor	580.00	70,000.00	438,480,000	487,200,000	560,280,000	560,280,000	560,280,000	644,322,000	644,322,000	644,322,000	740,970,300	740,970,300	740,970,300	852,115,845	852,115,845	852,115,845	979,933,222
1st, 2nd & 3rd Floor	2,280.00	40,000.00	984,960,000	1,094,400,000	1,258,560,000	1,258,560,000	1,258,560,000	1,447,344,000	1,447,344,000	1,447,344,000	1,664,445,600	1,664,445,600	1,664,445,600	1,914,112,440	1,914,112,440	1,914,112,440	2,201,229,306
<b>Parking</b>																	
4th & 5th Floor	1,520.00	3,000.00	49,248,000	54,720,000	54,720,000	54,720,000	54,720,000	54,720,000	54,720,000	54,720,000	54,720,000	54,720,000	54,720,000	54,720,000	54,720,000	54,720,000	54,720,000
<b>Storage</b>																	
6th, 7th, & 8th Floor	2,280.00	15,000.00	369,360,000	410,400,000	471,960,000	471,960,000	471,960,000	542,754,000	542,754,000	542,754,000	624,167,100	624,167,100	624,167,100	717,792,165	717,792,165	717,792,165	825,460,990
<b>Residential Apartments</b>																	
9th, 10th, 11th & 12th Floor	2,736.00	11,000.00	325,036,800	361,152,000	415,324,800	415,324,800	415,324,800	477,623,520	477,623,520	477,623,520	549,267,048	549,267,048	549,267,048	631,657,105	631,657,105	631,657,105	726,405,671
<b>Total Rental Revenue</b>		<b>TZS/Year</b>	<b>2,688,076,800</b>	<b>2,986,752,000</b>	<b>3,418,348,800</b>	<b>3,418,348,800</b>	<b>3,418,348,800</b>	<b>3,914,685,120</b>	<b>3,914,685,120</b>	<b>3,914,685,120</b>	<b>4,485,471,888</b>	<b>4,485,471,888</b>	<b>4,485,471,888</b>	<b>5,141,876,671</b>	<b>5,141,876,671</b>	<b>5,141,876,671</b>	<b>5,896,742,172</b>
		<b>% revenue to NASR/</b>	<b>25%</b>	<b>25%</b>	<b>25%</b>	<b>25%</b>	<b>25%</b>	<b>25%</b>	<b>25%</b>	<b>25%</b>	<b>25%</b>	<b>25%</b>	<b>25%</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>
NHC share	NHC		672,019,200	746,688,000	854,587,200	854,587,200	854,587,200	978,671,280	978,671,280	978,671,280	1,121,367,972	1,121,367,972	1,121,367,972	2,242,735,944	2,242,735,944	2,242,735,944	2,948,371,086
Partner's share	NASRA ESTATES		2,016,057,600	2,240,064,000	2,563,761,600	2,563,761,600	2,563,761,600	2,936,013,840	2,936,013,840	2,936,013,840	3,364,103,916	3,364,103,916	3,364,103,916	2,919,140,727	2,919,140,727	2,919,140,727	2,948,371,086

### Appendix III: Operational Costs

Year		Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Year-8	Year-9	Year-10	Year-11	Year-12	Year-13	Year-14	Year-15
<b>Operating cost assumptions</b>																
Maintenance & repairs	of Annual Rental				2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Property tax	of Buildings	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00
Land rent	TZS/Year	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150
Withholding tax	of Annual Incomes	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Administrative Costs	of Annual Rental	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
<b>Operating Costs</b>																
<b>Months of Operations</b>		<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>
Maintenance & repairs		-	-	-	25,220,952	25,220,952	28,966,079	28,966,079	28,966,079	33,272,975	33,272,975	22,181,983	25,483,937	25,483,937	25,483,937	29,281,183
Administrative Costs		20,160,576	22,400,640	25,637,616	25,637,616	25,637,616	29,360,138	29,360,138	29,360,138	33,641,039	33,641,039	22,427,359	25,709,383	25,709,383	25,709,383	29,483,711
Statutory Expenses																
	Property tax	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
	Land rent	120,938	120,938	120,938	120,938	120,938	120,938	120,938	120,938	120,938	120,938	80,625	80,625	80,625	80,625	80,625
	Withholding tax	201,605,760	224,006,400	256,376,160	256,376,160	256,376,160	293,601,384	293,601,384	293,601,384	336,410,392	336,410,392	224,273,594	257,093,834	257,093,834	257,093,834	294,837,109
	Statutory Expenses	202,176,698	224,577,338	256,947,098	256,947,098	256,947,098	294,172,322	294,172,322	294,172,322	336,981,329	336,981,329	224,804,219	257,624,459	257,624,459	257,624,459	295,367,734
<b>Total Operating costs</b>		<b>222,337,273.50</b>	<b>246,977,977.50</b>	<b>282,584,713.50</b>	<b>307,805,665.50</b>	<b>307,805,665.50</b>	<b>352,498,538.70</b>	<b>352,498,538.70</b>	<b>352,498,538.70</b>	<b>403,895,342.88</b>	<b>403,895,342.88</b>	<b>269,413,561.92</b>	<b>308,817,778.46</b>	<b>308,817,778.46</b>	<b>308,817,778.46</b>	<b>354,132,627.48</b>

## Appendix IV: Profit and Loss Statement

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
<b>PROJECTED REVENUES</b>															
Rental Incomes															
0	2,016,057,600	2,240,064,000	2,563,761,600	2,563,761,600	2,563,761,600	2,936,013,840	2,936,013,840	2,936,013,840	3,364,103,916	3,364,103,916	2,242,735,944	2,570,938,336	2,570,938,336	2,570,938,336	2,948,371,086
<b>TOTAL RENTAL INCOME</b>	<b>2,016,057,600</b>	<b>2,240,064,000</b>	<b>2,563,761,600</b>	<b>2,563,761,600</b>	<b>2,563,761,600</b>	<b>2,936,013,840</b>	<b>2,936,013,840</b>	<b>2,936,013,840</b>	<b>3,364,103,916</b>	<b>3,364,103,916</b>	<b>2,242,735,944</b>	<b>2,570,938,336</b>	<b>2,570,938,336</b>	<b>2,570,938,336</b>	<b>2,948,371,086</b>
Less: Withholding Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Income</b>	<b>2,016,057,600</b>	<b>2,240,064,000</b>	<b>2,563,761,600</b>	<b>2,563,761,600</b>	<b>2,563,761,600</b>	<b>2,936,013,840</b>	<b>2,936,013,840</b>	<b>2,936,013,840</b>	<b>3,364,103,916</b>	<b>3,364,103,916</b>	<b>2,242,735,944</b>	<b>2,570,938,336</b>	<b>2,570,938,336</b>	<b>2,570,938,336</b>	<b>2,948,371,086</b>
<b>Operating expenses</b>															
Maintenance & repairs	-	-	-	25,220,952	25,220,952	28,966,079	28,966,079	28,966,079	33,272,975	33,272,975	22,181,983	25,483,937	25,483,937	25,483,937	29,281,183
Administrative Costs	20,160,576	22,400,640	25,637,616	25,637,616	25,637,616	29,360,138	29,360,138	29,360,138	33,641,039	33,641,039	22,427,359	25,709,383	25,709,383	25,709,383	29,483,711
Statutory Expenses	202,176,698	224,577,338	256,947,098	256,947,098	256,947,098	294,172,322	294,172,322	294,172,322	336,981,329	336,981,329	224,804,219	257,624,459	257,624,459	257,624,459	295,367,734
<b>Operating Costs</b>	<b>222,337,274</b>	<b>246,977,978</b>	<b>282,584,714</b>	<b>307,805,666</b>	<b>307,805,666</b>	<b>352,498,539</b>	<b>352,498,539</b>	<b>352,498,539</b>	<b>403,895,343</b>	<b>403,895,343</b>	<b>269,413,562</b>	<b>308,817,778</b>	<b>308,817,778</b>	<b>308,817,778</b>	<b>354,132,627</b>
<b>Gross Profits</b>	<b>1,793,720,327</b>	<b>1,993,086,023</b>	<b>2,281,176,887</b>	<b>2,255,955,935</b>	<b>2,255,955,935</b>	<b>2,583,515,301</b>	<b>2,583,515,301</b>	<b>2,583,515,301</b>	<b>2,960,208,573</b>	<b>2,960,208,573</b>	<b>1,973,322,382</b>	<b>2,262,120,557</b>	<b>2,262,120,557</b>	<b>2,262,120,557</b>	<b>2,594,238,458</b>
Gross Profits Margins	88.97%	88.97%	88.98%	87.99%	87.99%	87.99%	87.99%	87.99%	87.99%	87.99%	87.99%	87.99%	87.99%	87.99%	87.99%
Other Operating costs															
Depreciation	154,248,760	151,163,785	148,140,509	145,177,699	142,274,145	139,428,662	136,640,089	133,907,287	131,229,141	128,604,558	126,032,467	123,511,818	121,041,582	118,620,750	116,248,335
<b>Total Depreciation</b>	<b>154,248,760</b>	<b>151,163,785</b>	<b>148,140,509</b>	<b>145,177,699</b>	<b>142,274,145</b>	<b>139,428,662</b>	<b>136,640,089</b>	<b>133,907,287</b>	<b>131,229,141</b>	<b>128,604,558</b>	<b>126,032,467</b>	<b>123,511,818</b>	<b>121,041,582</b>	<b>118,620,750</b>	<b>116,248,335</b>
<b>Earning Before Interest &amp; Tax</b>	<b>1,639,471,567</b>	<b>1,841,922,238</b>	<b>2,133,036,377.40</b>	<b>2,110,778,236.58</b>	<b>2,113,681,789.56</b>	<b>2,444,086,639.26</b>	<b>2,446,875,212.50</b>	<b>2,449,608,014.27</b>	<b>2,828,979,431.83</b>	<b>2,831,604,014.66</b>	<b>1,847,289,914.79</b>	<b>2,138,608,739.20</b>	<b>2,141,078,975.55</b>	<b>2,143,499,807.19</b>	<b>2,477,990,123.51</b>
Less: Interest Expenses															
Interest on Loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit Before Taxes</b>	<b>1,639,471,567</b>	<b>1,841,922,238</b>	<b>2,133,036,377</b>	<b>2,110,778,236</b>	<b>2,113,681,790</b>	<b>2,444,086,639</b>	<b>2,446,875,212</b>	<b>2,449,608,014</b>	<b>2,828,979,432</b>	<b>2,831,604,015</b>	<b>1,847,289,915</b>	<b>2,138,608,739</b>	<b>2,141,078,976</b>	<b>2,143,499,807</b>	<b>2,477,990,124</b>
<b>Taxable Incomes</b>	<b>1,639,471,567</b>	<b>1,841,922,238</b>	<b>2,133,036,377</b>	<b>2,110,778,236</b>	<b>2,113,681,790</b>	<b>2,444,086,639</b>	<b>2,446,875,212</b>	<b>2,449,608,014</b>	<b>2,828,979,432</b>	<b>2,831,604,015</b>	<b>1,847,289,915</b>	<b>2,138,608,739</b>	<b>2,141,078,976</b>	<b>2,143,499,807</b>	<b>2,477,990,124</b>
Provision for Corporate Tax	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>After Tax Profits</b>	<b>1,639,471,567</b>	<b>1,841,922,238</b>	<b>2,133,036,377</b>	<b>2,110,778,236</b>	<b>2,113,681,790</b>	<b>2,444,086,639</b>	<b>2,446,875,212</b>	<b>2,449,608,014</b>	<b>2,828,979,432</b>	<b>2,831,604,015</b>	<b>1,847,289,915</b>	<b>2,138,608,739</b>	<b>2,141,078,976</b>	<b>2,143,499,807</b>	<b>2,477,990,124</b>
Projected Retained Incomes	1,639,471,567	1,841,922,238	2,133,036,377	2,110,778,236	2,113,681,790	2,444,086,639	2,446,875,212	2,449,608,014	2,828,979,432	2,831,604,015	1,847,289,915	2,138,608,739	2,141,078,976	2,143,499,807	2,477,990,124
<b>Cumulative retained income</b>	<b>1,639,471,567</b>	<b>3,481,393,804</b>	<b>5,614,430,182</b>	<b>7,725,208,417</b>	<b>9,838,890,207</b>	<b>12,282,976,846</b>	<b>14,729,852,058</b>	<b>17,179,460,073</b>	<b>20,008,439,505</b>	<b>22,840,043,519</b>	<b>24,687,333,434</b>	<b>26,825,942,173</b>	<b>28,967,021,149</b>	<b>31,110,520,956</b>	<b>33,588,511,079</b>

## Appendix V: Cash flow Statement

AMOUNTS TZ		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
<b>Cash Inflows</b>																
<b>NHC Equity</b>																
Land	4,253,712,750.00															
Construction Costs	20,628,675,000.00															
<b>Total Equity</b>	<b>24,882,387,750.00</b>															
<b>External Financing</b>																
Loan																
<b>Total external Financing</b>																
<b>Incomes from Operations</b>																
Rental Incomes		2,016,057,600.00	2,240,064,000.00	2,563,761,600.00	2,563,761,600.00	2,563,761,600.00	2,936,013,840.00	2,936,013,840.00	2,936,013,840.00	3,364,103,916.00	3,364,103,916.00	2,242,735,944.00	2,570,938,335.60	2,570,938,335.60	2,570,938,335.60	2,948,371,085.94
<b>Gross Revenues</b>		<b>2,016,057,600</b>	<b>2,240,064,000</b>	<b>2,563,761,600</b>	<b>2,563,761,600</b>	<b>2,563,761,600</b>	<b>2,936,013,840</b>	<b>2,936,013,840</b>	<b>2,936,013,840</b>	<b>3,364,103,916</b>	<b>3,364,103,916</b>	<b>2,242,735,944</b>	<b>2,570,938,336</b>	<b>2,570,938,336</b>	<b>2,570,938,336</b>	<b>2,948,371,086</b>
Less: Withholding Tax																
<b>Incomes from Operations</b>		<b>2,016,057,600</b>	<b>2,240,064,000</b>	<b>2,563,761,600</b>	<b>2,563,761,600</b>	<b>2,563,761,600</b>	<b>2,936,013,840</b>	<b>2,936,013,840</b>	<b>2,936,013,840</b>	<b>3,364,103,916</b>	<b>3,364,103,916</b>	<b>2,242,735,944</b>	<b>2,570,938,336</b>	<b>2,570,938,336</b>	<b>2,570,938,336</b>	<b>2,948,371,086</b>
<b>Total Inflows</b>	<b>24,882,387,750.00</b>	<b>2,016,057,600</b>	<b>2,240,064,000</b>	<b>2,563,761,600</b>	<b>2,563,761,600</b>	<b>2,563,761,600</b>	<b>2,936,013,840</b>	<b>2,936,013,840</b>	<b>2,936,013,840</b>	<b>3,364,103,916</b>	<b>3,364,103,916</b>	<b>2,242,735,944</b>	<b>2,570,938,336</b>	<b>2,570,938,336</b>	<b>2,570,938,336</b>	<b>2,948,371,086</b>
<b>Cash Outflows</b>																
<b>Capital Expenditure</b>																
Land	4,253,712,750.00															
Construction Costs	20,628,675,000.00															
<b>Sub-total</b>	<b>24,882,387,750.00</b>															
<b>Loans Payments</b>																
Principal Repayment																
Loan																
Interest Payments																
Loan																
<b>Sub-total</b>																
<b>Operating Costs:</b>																
Maintenance & repairs	0	-	-	-	25,220,952	25,220,952	28,966,079	28,966,079	28,966,079	33,272,975	33,272,975	22,181,983	25,483,937	25,483,937	25,483,937	29,281,183
Administrative Costs		20,160,576	22,400,640	25,637,616	25,637,616	25,637,616	29,360,138	29,360,138	29,360,138	33,641,039	33,641,039	22,427,359	25,709,383	25,709,383	25,709,383	29,483,711
Statutory Expenses	0	202,176,698	224,577,338	256,947,098	256,947,098	256,947,098	294,172,322	294,172,322	294,172,322	336,981,329	336,981,329	224,804,219	257,624,459	257,624,459	257,624,459	295,367,734
<b>Sub-total</b>		<b>222,337,274</b>	<b>246,977,978</b>	<b>282,584,714</b>	<b>307,805,666</b>	<b>307,805,666</b>	<b>352,498,539</b>	<b>352,498,539</b>	<b>352,498,539</b>	<b>403,895,343</b>	<b>403,895,343</b>	<b>269,413,562</b>	<b>308,817,778</b>	<b>308,817,778</b>	<b>308,817,778</b>	<b>354,132,627</b>
Taxation																
Dividends																
<b>Total Outflows</b>	<b>24,882,387,750.00</b>	<b>222,337,274</b>	<b>246,977,978</b>	<b>282,584,714</b>	<b>307,805,666</b>	<b>307,805,666</b>	<b>352,498,539</b>	<b>352,498,539</b>	<b>352,498,539</b>	<b>403,895,343</b>	<b>403,895,343</b>	<b>269,413,562</b>	<b>308,817,778</b>	<b>308,817,778</b>	<b>308,817,778</b>	<b>354,132,627</b>
<b>Surplus (Deficit)</b>		<b>- 1,793,720,327</b>	<b>1,993,086,023</b>	<b>2,281,176,887</b>	<b>2,255,955,935</b>	<b>2,255,955,935</b>	<b>2,583,515,301</b>	<b>2,583,515,301</b>	<b>2,583,515,301</b>	<b>2,960,208,573</b>	<b>2,960,208,573</b>	<b>1,973,322,382</b>	<b>2,262,120,557</b>	<b>2,262,120,557</b>	<b>2,262,120,557</b>	<b>2,594,238,458</b>
<b>Opening Cash Balances</b>	<b>0</b>	<b>-</b>	<b>1,793,720,327</b>	<b>3,786,806,349.00</b>	<b>6,067,983,236</b>	<b>8,323,939,170</b>	<b>10,579,895,105</b>	<b>13,163,410,406</b>	<b>15,746,925,707</b>	<b>18,330,441,008</b>	<b>21,290,649,582</b>	<b>24,250,858,155</b>	<b>26,224,180,537</b>	<b>28,486,301,094</b>	<b>30,748,421,651</b>	<b>33,010,542,208</b>
<b>Closing Cash Balances</b>	<b>-</b>	<b>1,793,720,327</b>	<b>3,786,806,349.00</b>	<b>6,067,983,236</b>	<b>8,323,939,170</b>	<b>10,579,895,105</b>	<b>13,163,410,406</b>	<b>15,746,925,707</b>	<b>18,330,441,008</b>	<b>21,290,649,582</b>	<b>24,250,858,155</b>	<b>26,224,180,537</b>	<b>28,486,301,094</b>	<b>30,748,421,651</b>	<b>33,010,542,208</b>	<b>35,604,780,667</b>

## Appendix VI: Analysis

		Performance measures															
AMOUNT IN TZS		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
<b>Cash InFlows:</b>																	
	Profit B.I.T		1,639,471,567	1,841,922,238	2,133,036,377	2,110,778,236	2,113,681,790	2,444,086,639	2,446,875,212	2,449,608,014	2,828,979,432	2,831,604,015	1,847,289,915	2,138,608,739	2,141,078,976	2,143,499,807	2,477,990,124
	Depreciation		412,573,500	404,322,030	396,235,589	388,310,878	380,544,660	372,933,767	365,475,092	358,165,590	351,002,278	343,982,232	337,102,588	330,360,536	323,753,325	317,278,259	310,932,694
	Salvage value																14,930,987,944
	<b>Total InFlow</b>		<b>2,052,045,067</b>	<b>2,246,244,268</b>	<b>2,529,271,967</b>	<b>2,499,089,113</b>	<b>2,494,226,450</b>	<b>2,817,020,406</b>	<b>2,812,350,304</b>	<b>2,807,773,604</b>	<b>3,179,981,710</b>	<b>3,175,586,247</b>	<b>2,184,392,502</b>	<b>2,468,969,275</b>	<b>2,464,832,301</b>	<b>2,460,778,066</b>	<b>17,719,910,761</b>
<b>Cash OutFlows:</b>																	
	Investment	20,628,675,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Capital Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total OutFlow</b>	<b>20,628,675,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Net InFlow/(OutFlow)</b>	<b>(20,628,675,000)</b>	<b>2,052,045,067</b>	<b>2,246,244,268</b>	<b>2,529,271,967</b>	<b>2,499,089,113</b>	<b>2,494,226,450</b>	<b>2,817,020,406</b>	<b>2,812,350,304</b>	<b>2,807,773,604</b>	<b>3,179,981,710</b>	<b>3,175,586,247</b>	<b>2,184,392,502</b>	<b>2,468,969,275</b>	<b>2,464,832,301</b>	<b>2,460,778,066</b>	<b>17,719,910,761</b>
	Opportunity cost	11.15%															
	Net Present Value (TZS)	493,180,163															
	Internal Rate of Return	11.5%															
	<b>Payback Period</b>	<b>7.88</b>															
	Capital Investments		2,052,045,067	2,246,244,268	2,529,271,967	2,499,089,113	2,494,226,450	2,817,020,406	2,812,350,304	2,807,773,604	3,179,981,710	3,175,586,247	2,184,392,502	2,468,969,275	2,464,832,301	2,460,778,066	17,719,910,761
	Undiscounted Net Flow		2,052,045,067	2,246,244,268	2,529,271,967	2,499,089,113	2,494,226,450	2,817,020,406	2,812,350,304	2,807,773,604	3,179,981,710	3,175,586,247	2,184,392,502	2,468,969,275	2,464,832,301	2,460,778,066	17,719,910,761
	Cumulative Undiscounted Net Flow	- 20,628,675,000	- 18,576,629,934	- 16,330,385,666	- 13,801,113,699	- 11,302,024,586	- 8,807,798,136	- 5,990,777,730	- 3,178,427,426	- 370,653,822	2,809,327,888	5,984,914,135	8,169,306,637	10,638,275,912	13,103,108,213	15,563,886,279	33,283,797,040
	Normal Payback Period																
	<b>Return on Investment</b>																
	Average Returns on Investment		0.10	0.11	0.12	0.12	0.12	0.14	0.14	0.14	0.15	0.15	0.11	0.12	0.12	0.12	0.86

