

+ CITI Regional Operating Headquarters

Manila, Philippines



Background

Citi is one of the world's biggest banks with approximately 200 million customer accounts and works across 160 countries, providing consumers, corporations, governments and institutions with a full range of financial products and services.

With 4,000 employees already located in the Philippines, Citi was exploring further growth opportunities in Asia to develop a state-of-the-art, flexible workspace to support critical global business functions.

The senior executive team of Osborne+Co has extensive experience in the exacting standards required by the global institution.

We delivered the solution for Citi due to our unique ability to consistently provide world-class properties across various geographic regions of varying socio-economic and environmental standards.

Our global expertise, local insights, and knowledge translated Citi's business property requirement into its world-class Global Operations Centre.

Located in what was fast becoming a thriving CBD in Manila, Fort Bonifacio, we have delivered a 6,500-seat, fully fitted turnkey solution for the group to become Citi's Global Operations Centre and Global Retail Business Support Function. It is the largest purpose-built property in the Philippines for a multinational commercial company.

Responding to the future targeted growth of its Global Operations Centre, a specially designed purpose-built recruitment centre was integrated into the Ground Floor of the building with functional design to attract talent and seamlessly and efficiently process hundreds of employee candidates a week.



LEED PLATINUM
AND PEZA CERTIFIED



LARGE
COMMERCIAL HQ



900,000 FT²



£230M

Offering a long-term lease, Osborne+Co was also uniquely positioned to provide Citi with fixed certainty around cost, with options to purchase in a market location that is now the prime CBD in Manila and has increased its asset's business value exponentially, delivering competitiveness against the market.

Citibank Plaza is a 25-storey office building with a gross leasable area of 50,000 sq m with a typical floor plate of 3,000 sq m.

Located at 34th Street corner Lane the tower is LEED Platinum certified and PEZA accredited; boasting features including an energy-efficient double-glazed façade, high floor-to-floor ceiling spaces, and conducive amenities with various food establishments incorporated in the podium area of the building. The location links with major roads such as Kalayaan Avenue and provides access to different public transport methods.

The results

- Citibank Plaza was born of a uniquely collaborative approach taken by Citi and Osborne+Co to address the Bank's significant requirement in Manila
- In 2016, Osborne+Co handed over a building accommodating 6,100 desks on a fully fitted basis, including all FF&E and IT infrastructure
- The building is highly efficient, creating significant value for Citi from a total occupancy cost perspective
- Citi fully occupies the building with exclusive naming and signage rights
- The signing of a 15-year lease in June 2014 was the culmination of over 12 months of working collaboratively with Citi and their real estate advisors
- This process began with an unsolicited proposal submitted by Osborne+Co to address and solve what we understood to be Citi's requirement in Manila
- Both base building and fit-out are LEED Platinum and PEZA certified



Objectives and key drivers

Price/costing

Produce a lower occupancy cost than might otherwise be available to Citi through the traditional approach of leasing and fitting out.

Cost certainty

Deliver long-term cost certainty.

Minimise P&L Spike

Deliver fully fitted, ready-to-move-in buildings that will allow Citi to avoid the significant capital expenditure they would otherwise incur in the fit-out. No double rent or reinstatement liability.

Flexibility on lease length

Offer flexibility and choice on the minimum lease length that Citi would need to enter into while giving certainty of renewal at a predictable cost.

Scalability

Establish deliverable exclusive option mechanisms to guarantee growth and realignment in the building.

Product

Deliver true "Grade A" buildings that fully meet Citi's most stringent global workplace and engineering standards without compromise.

Resilience and sustainability

Meet Citi's engineering resilience requirements and deliver LEED Platinum classified buildings.

Collaboration and control

Structure an Agreement for Lease that creates a true collaboration between developer and tenant and allows Citi to retain true control over the delivery process.

Potential for Citi to share in the upside

Offer Citi the potential to participate in the upside their commitment to the new buildings creates.

Alternative Workplace Design

Ensure that appropriate desk densities provide adequate amenity and collaborative space to allow implementation of AWS at the highest ratios.



Time

RFP Process lasted	12 months
Preferred developer to Non Binding Heads of Terms	8 weeks
HOT to Binding Agreement for Lease	12 weeks
Start on Site	4 November 2014
Available for Migration	October 2016
Total Delivery Period	28 months
Early access for IT areas	September 2016

Saves Considerable time through elimination of steps

Delivery scope / unique aspects

- 'Fully Fitted' means everything except 'Active Equipment'
- Cost per desk is averaged to include all Amenity/BOH/IT and other support Spaces
- All delivered to the Tenants global standards
- Joint Appointments of Bureau Veritas (QA QC) and Commtech (Test & Commissioning and MEPF Witnessing)
- Joint selection of Key Consultants
- Utilised key Tenant vendors for Security and Structured Cabling

Economics

- A very innovative Fully Fitted Fully Serviced Deal per Desk
- Rate per desk for Two Types of Space:
 - (i) Regional HQ
 - (ii) Operations Service Centre
- Operations Service Centre
- Included a Full Facilities Management component
- Excluding 'active' IT/AV equipment and any Energy/Utility costs



Achievements

Locational

In Manila, Osborne+Co were able to put together a solution on a site that offered the bank:

- A high-quality, central CBD site
- Risk-free title and planning process to guarantee delivery by agreed dates
- A site with significant adjacent amenities
- World-class branding and profile opportunity
- An ideally located building from a headcount and connectivity perspective

Technical

- The building met or exceeded all of Citi's global internal engineering, base build and fit-out standards
- A fully fitted building that, from a fit-out perspective, far exceeded their internal standards for a back-office operations building whilst delivering at very compelling rents
- A highly efficient building, reducing overall occupancy cost
- A highly resilient building to significantly reduce business continuity and concentration risk
- A sustainable building that will reduce running costs over the long term

Commercial

- Significant occupancy cost savings compared with the status quo or the traditional lease and fit-out model
- Significant occupancy cost savings compared with alternative proposals submitted during the RFP process
- Long-term cost predictability
- Grade A, CBD building at rental levels far below what is typically found in this location
- Maximum lease term flexibility
- Guaranteed renewal options
- Flexibility between leasing and purchase, with guaranteed buy-out options throughout development and occupation

Key data

Total GFA	90,216 sq/m
Office area	47,312 sq/m
No of floors	26 storeys 16 office floors
Car park	743 spaces
Total desks	6,700
Platinum LEED Certified	Base Building and Fit-Out
Construction period	28 months