

+ West African HQ for Standard Chartered Bank (SCB)

Accra, Ghana



The What

A development by Osborne+Co, successfully delivering a new purpose-built West African headquarters for Standard Chartered Bank (SCB) in Accra, Ghana.

Highlights

- The Standard Chartered Tower Project in Accra is a result of a uniquely successful collaboration between the Bank and Osborne+Co, which mirrored the hugely successful experience of delivering the Standard Chartered Tower in Dubai
- Standard Chartered has stated that this model of delivery will be the basis on which they will engage with developers in the future
- Based on the experience in Dubai, Osborne+Co was invited to participate in the process and was selected as the developer to deliver a new Head Office building in Accra
- This began with an RFP process, and bidders were invited to propose the development on a site owned by the bank and any additional site the bidder felt was suitable. Osborne+Co's bid focused only on developing the owned site, known as 'Clubhouse'
- The successful experience in Dubai with Osborne+Co greatly influenced the RFP content. The RFP featured Dubai's building floor plate as an example of a preferred floor plate, and the tender documents requested the Accra building also to be delivered fully fitted, as per the Dubai building. The workplace and engineering specifications in the RFP were also based on the final product in Dubai.



LEED GOLD CERTIFIED



BUILD-TO-SUIT
COMMERCIAL HQ



450,000 FT²



£80M

Highlights (continued)

- Osborne+Co spent significant time in Ghana identifying contracting solutions and meeting with the consultants responsible for executing the RFP process
- Following final presentations to the business in Accra at the existing Head Office, Osborne+Co was selected as the preferred developer
- The Agreement for Lease is based on Osborne+Co delivering to all of Standard Chartered's Global Engineering Standards and Workplace standards
- The Agreement predicates Standard Chartered having full participation and final right of approval over all design and specifications
- The Agreement includes Standard Chartered having zero capital spend or contribution except for active equipment and artwork

Development

- The building construction started on site in April 2016, following a ground-breaking ceremony attended by the entire executive board of Standard Chartered Bank Ltd
- The building is the first arms-length, fully fitted development deal in Sub-Saharan Africa, except for South Africa. It was also the first instance in West Africa of a global bank working with a developer to deliver a fully fitted building on a pre-let basis for a single rental figure
- Osborne+Co is proud that the new Standard Chartered Tower in Accra is one of the most highly specified and high-quality office buildings in West Africa





Master Planning Principles

- Open plan desks
- Offices
- Community places
- Thinking places
- Collaboration places
- Support places



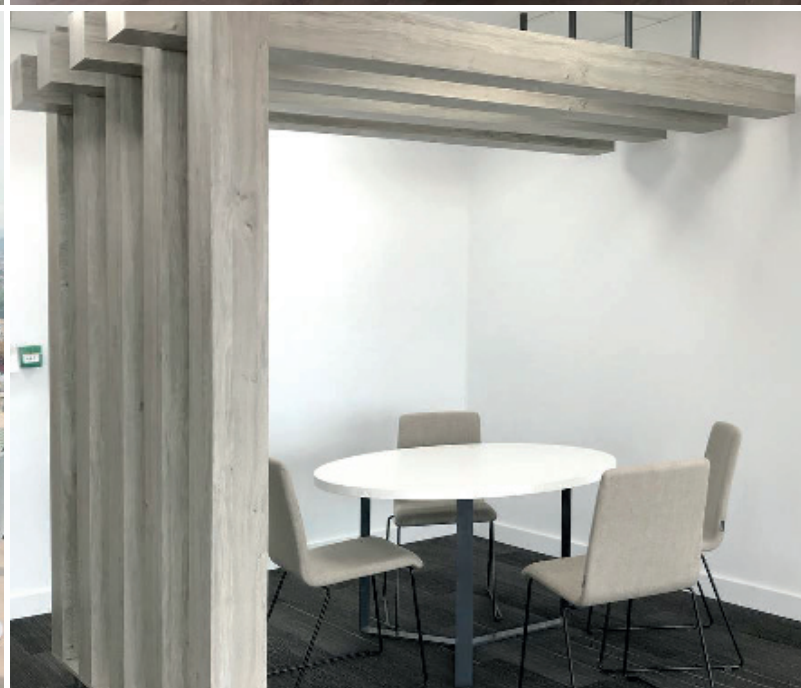
Background

Standard Chartered Bank Ghana identified a requirement for relocation to a new Head Office facility, which led to the issuance of an RFP to several domestic, regional and international developers.

The complex nature of the initial requirement, which involved identifying a suitable site, delivering a fully fitted building and acquiring the existing Head Office building, meant that the process was lengthy and ultimately unsuccessful. A further RFP was issued that requested developers to propose terms to deliver a building on a site owned by the Bank known as 'Liberia Road'.

While there was a clear need and intent from the business to move to a new fit-for-purpose building, throughout the rounds of RFPs, there was no clear ideal proposal. Problems with bidders' responses were concerned with either their inability or unwillingness to deliver a suitable building, inability to identify the optimum site or an inability to demonstrate the required funding.

Our delivery of their previous Dubai building demonstrated that Osborne+Co was a capable partner in jointly identifying a site, agreeing on a specification, providing terms and a single rental figure and delivering ahead of schedule. Due to established trust, Standard Chartered appointed AECOM to issue a new RFP, inviting Osborne+Co to participate in the bid process.



The prepared RFP provided several different structures for the development, including the bank being an anchor tenant on a long lease to buying the building at 'cost plus' at completion. The RFP requirements were heavily based on the Standard Chartered Building in Dubai. The tender documents offered the Dubai buildings' floor plates as a preferred floor plate example, and the Workplace and Engineering standards requested were as per those in Dubai. The RFP also specified that the building delivery was on a fully-fitted basis.

The RFP requested that bidders submit proposals on the existing owned site known as the 'Clubhouse site', as well as providing bidders with the option to propose an alternative location. Osborne+Co was confident that the Clubhouse site was the optimum site from a locational and commercial perspective and restricted its focus to this site.

Osborne+Co's bid proposed developing a 128,000 sq ft building across eight floors that sat on a 4-level podium on the Clubhouse Site. Of the eight floors, Standard Chartered would commit to leasing five floors, also delivered on a fully fitted basis. The lease would have a minimum term of 15 years with extension options. As part of Osborne+Co's proposal, the building would also have a branch on the ground level and would replace some of the existing clubhouse functions, including a gym and crèche. The remaining three floors would be leased in the market on five to seven year leases to provide long-term expansion space to Standard Chartered.

The RFP process was comprehensive and spanned multiple rounds, including workshops and presentations in Accra. Osborne+Co had a little track record in West Africa, so the critical factor in winning the bid focused on demonstrating an ability to deliver a building in Ghana.



The key priorities in proving a delivery capability in Africa for the RFP process was demonstrating:

- a clear strategy on the building delivery from a contracting and import/export perspective
- how Osborne+Co would identify and mitigate risk
- an ability to finance the development
- an ability to secure the required municipal approvals

Osborne+Co was able to address these priorities by aligning itself with solid development partners. This included leading domestic contractors, best-in-class domestic and regional consultants, and funding and development partners in Accra and worldwide.

In 2015, Osborne+Co was selected as the preferred developer for the new building in Accra. This led to a series of design, specification and value engineering meetings in Dubai upon which final specification agreements were finalised.



Key drivers

The key drivers for the Bank in evaluating the options for their real estate strategy in Accra fell into five categories. These drivers were economic, specification, location, brand and existing buildings.

- Economic – any relocation had to be cost neutral or below. The Bank could tolerate no significant profit and loss impact as a result of major capital expenditure. The final occupancy cost is estimated to be between cost neutral and -7.5%.
- Specification – any relocation must ensure the feasible delivery of what can be considered to be optimum floor plates and an appropriate and resilient fit-out specification. The new building should fully meet the detailed requirements of the Bank's Global Engineering Standards and the Workplace Standards for the region.
- Location – if a site other than Clubhouse is put forward, any relocation must be to a high-quality location with good access to local road networks. The site must have a primary infrastructure in place.
- Brand – any relocation must provide a significant opportunity for high-profile branding opportunities.
- Existing Buildings – any relocation must actively solve the issue of and take ownership of the current Head Office Building on High Street.

The Osborne+Co proposal

After an exhaustive RFP process followed by a series of collaborative workshops to finalise the specification, the Bank committed to leasing 80,000 sq ft of net office space in a new build-to-suit development on the Clubhouse site in Accra.

The Osborne+Co proposal was for the delivery of a G+8 building with four podium levels, equating to over 400,000 sq ft of built-up area.

Key details of the arrangement:

- The fit-out includes all FF&E and IT infrastructure
- The building is highly efficient with net floor plates of 16,000 sq ft and working to a key metric of 90 sq ft per available desk
- Parking is provided at one space per 300 sq ft of NIA at no additional cost to Standard Chartered
- The development is fully compliant with the requirements set out in the Bank's detailed Engineering Specifications (a Tier 2 facility)
- The development is in full compliance the regional requirements set out in the Bank's detailed Workplace standards
- The bank will enter into a fixed 15-year lease with renewal options for two further five-year terms
- The fully fitted space will be delivered to the Bank in 24-months
- The rent is fixed for the first three years and then adjusted after that by fixed 3% compounded uplifts annually from the fourth year
- All service and management charges is fixed for the first five years at 8% of rent, subsequent years would revert to cost

- The Bank has full standard pre-emption rights over all other space in the building, and the lease includes standard carve-out clauses on relation to the suitability and acceptability of other tenants
- The building is LEED Gold certified for the base build and fit-out
- The building is sustainable socially, environmentally and economically – 'The Triple Bottom Line'

Risk mitigation

The complexities of delivering a fully fitted building in Accra, combined with the experience of two incomplete RFP processes, meant undertaking a full risk assessment at the start of the engagement and due diligence process.

The delivery of the projects in West Africa presented unique challenges and required stringent project planning and contingency planning to ensure robust risk mitigation.

Osborne+Co worked with the Bank and its local partners to identify the risks and implement strategies to mitigate them.

At the forefront of these discussions were the following key risks:

- Design Issues
- Regulatory and Planning Risks
- Procurement Risks
- Construction Risks

Design issues

Osborne+Co delivered the project with an experienced design consultancy team for both architectural and MEP elements of the project. The team was genuinely international and had a solid understanding of the requirements, standards and specifications of Standard Chartered Bank.

Key team members came in fresh from delivering the Standard Chartered Bank head office project in Dubai, which shared the core design principles of the Bank's Global Office Workplace Standards and Global Engineering Standards.

Regular peer review of design drawings and regular design workshops with the Bank at both country and Group CRES levels ensured that the design was in accordance with the Bank's stringent requirements.

Regulatory and Planning Risk

Integral to the consultancy team and working closely with the International consultants were the appointed local architects and engineers who were experienced in dealing with local authority submissions and approvals.

Planning risks were also mitigated through the prior dialogue and understanding that has taken place with the Town and Country Planning department of the Accra Metropolitan Assembly with respect to the redevelopment of the Club House site.

Confirmation had been received that the site was zoned mix-use civic and had been earmarked for redevelopment into mid-rise storey developments with a minimum of four storeys.

Procurement Risks

The Osborne+Co model has inherent and unique attributes that resulted in risks being well managed at a very early stage of the project. An integrated base build and fit-out model required the fit-out to be fully designed at the outset and resulted in a high level of coordination of the fit-out and base building designs. This positively impacted the procurement schedule and resulted in the early procurement of fit-out elements such as the raised floor, ceilings and FF&E and MEP long lead items.

Construction Risks

Osborne+Co appointed the main contractor with a track record of delivery in Ghana and the resources and expertise available to deliver the programme to the required quality. The contractor implemented International standards in site management and Health and Safety.

Critical Factors For Success

- Early confirmation of approved development finance/ credit facilities.
- Appointment of a professional team comprising both local and international consultants with a solid understanding of both the Bank's requirements and local code/regulatory requirements.
- Collaborative approach to design and issue management through regular dialogue and meetings with Bank CRES teams at both country and Group level.
- Appoint a dedicated resource to coordinate works with the Bank's IT department.
- Early confirmation and sign-off of the fit-out design resulting in early procurement of long lead items
- Early appointment of key roles to the consultancy team, such as testing and commissioning engineers, and facilities management personnel.
- Appointment of a main contractor with a demonstrable track record of delivery in Ghana.

