

# Asset Enhancement of Raffles City Tower



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- 1. Why enhance Raffles City Tower ("RCT")?
- 2. Scope of upgrading
- 3. Indicative Timeline
- 4. Value Creation





## 1. Why enhance Raffles City Tower?







# Leveraging on strengths of Raffles City Tower ("RCT")

- Good location, highly accessible with various modes of public transport (buses, taxis and three intersecting MRT lines)
- Ample carparking facilities for tenants during office hours
- Variety of lifestyle choices and convenience with amenities found within an integrated development
- Column free and regular floor plate enabling efficient space planning
- Choice location for many companies and is well perceived as a prime office building
- City Hall/Beach Road area (sub-market in which Raffles City is located) currently has low vacancy rate, and no new office supply completing in the next two years







### Why enhance RCT?

- 1. Timely rejuvenation of finishes and update of facilities
- 2. Value add to existing tenants through upgrading, such as enhancing security
- 3. Enhance competitiveness within vicinity to maintain position as choice location for companies
- 4. Risk mitigated due to low vacancy rate in City Hall/Beach Road sub-market and progressive upgrading minimizes disruption to tenants' business operations





## 2. Scope of upgrading







#### 1. Creating a secure and refreshing work environment by upgrading:

- Ground floor lobby including drop-off area and entrance
- Finishes for typical lift lobbies and corridors
- Security facilities by installing turnstiles and CCTVs
- Restrooms' finishes and exhaust systems
- Segregation of earth bars to stabilise IT and communications systems

#### 2. Reducing energy consumption by:

- Reconfiguring the chiller to ensure maximum efficiency
- Installing energy efficient lighting at all common areas
- Installing water efficient taps
- Using paints with low volatile organic compounds (VOC) during renovation which will improve indoor air quality







# Inspiring designs accentuate drop-off area and entrance leading to office tower





Entrance with inspiring designs: Prominent drop-off pointVisibility of entrance raised with an enhanced canopy and water feature







# Revitalised ground floor lobby exudes welcoming and spacious sense of arrival





#### Revitalised main lobby: Enhance spaciousness

- Raised ceiling height of about 4 metres with a feature ceiling
- Security enhanced with turnstile installation







### **Welcoming typical lift lobby**





**Existing typical lift lobby** 

#### New Typical Lift Lobby: A welcoming experience

- Raised ceiling height at selected areas to accentuate the sense of space
- Use of contemporary and quality finishes to revitalize the typical lift lobby
- Provide wet pantry for tenants' convenience





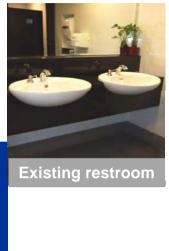


### Refreshing restrooms for tenants' comfort





- Upgrade fittings and finishes in restrooms
- Upgrade toilet exhaust system
- Replace water and sanitary pipes







### 3. Indicative Timeline





# **L** Indicative timeline

Period	Milestone
4Q 2012 – 2Q 2013  To complete within 6 months from Dec 2012	<ul> <li>Upgrading of ground floor areas</li> <li>Canopy and drop off area</li> <li>Ground floor lobby and reception</li> <li>Turnstiles at entrance leading to shopping mall</li> </ul>
4Q 2012 – 2Q 2014  Each floor will take about 3 months to upgrade	Progressive upgrading of typical lift lobbies  • Typical lift lobby corridors  • Restrooms and pantries

Upgrading works confined to common areas and do not include tenants' office premises

• Minimal disruptions to tenants' business operations





## 4. Value Creation







### Value creation of Raffles City Tower upgrading

Capital Expenditure	Commencement	Completion
S\$34.7 million	4Q 2012	2Q 2014

	Budget (1)
Incremental Net Property Income per annum	S\$3.0 mil
Capital Expenditure	S\$34.7 mil
Projected return on investment	8.6%
Capital Value of AEI (assumed at 4.5% capitalization rate)	\$66.7mil
Increase in Value (net of investment)	\$32.0mil

Valuation of Raffles City Singapore		Total Cost as % of Valuation
June 2012	S\$2,863.0mil	1.2 %

#### Note:

(1) Forecast value creation is based on Manager's estimates.







## **Thank You**

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