

# Asset Enhancement of Raffles City Tower



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# Agenda

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

# 1. Why enhance Raffles City Tower ?



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# 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



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# 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



Existing entrance



**Entrance with inspiring designs: Prominent drop-off point**  
• Visibility of entrance raised with an enhanced canopy and water feature



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



Existing lobby



### 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



### 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



Existing typical lift lobby





# Refreshing restrooms for tenants' comfort



## New Restrooms: Refreshing and saves water consumption

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



Existing restroom



# 3. Indicative Timeline





# Indicative timeline

Period	Milestone
4Q 2012 – 2Q 2013  To complete within 6 months from Dec 2012	Upgrading of ground floor areas <ul style="list-style-type: none"> <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 <ul style="list-style-type: none"> <li>• Typical lift lobby corridors</li> <li>• Restrooms and pantries</li> </ul>

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

- **Minimal disruptions to tenants' business operations**

# 4. Value Creation



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# Value creation of Raffles City Tower upgrading

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

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

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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