

BETTS TOWNSEND

ACCOUNTABILITY | PEOPLE | LEADERSHIP



EAST AFRICA SUMMIT PRESENTATION

CASE STUDY- THE HUB KAREN AN EAST AFRICAN RETAIL DEVELOPMENT UNRAVELLED

WHO WE ARE

- Betts Townsend (Pty) Ltd is a Construction, Project, Development Management Consultancy firm.
- Date of establishment – **1995**. East Africa 2012.
- Our offices – We have our offices in London, Johannesburg, Cape Town, Mauritius and Nairobi.
- Growth – Betts Townsend expanded it's services to cover the greater East African Countries and aim to expand to West Africa in future.

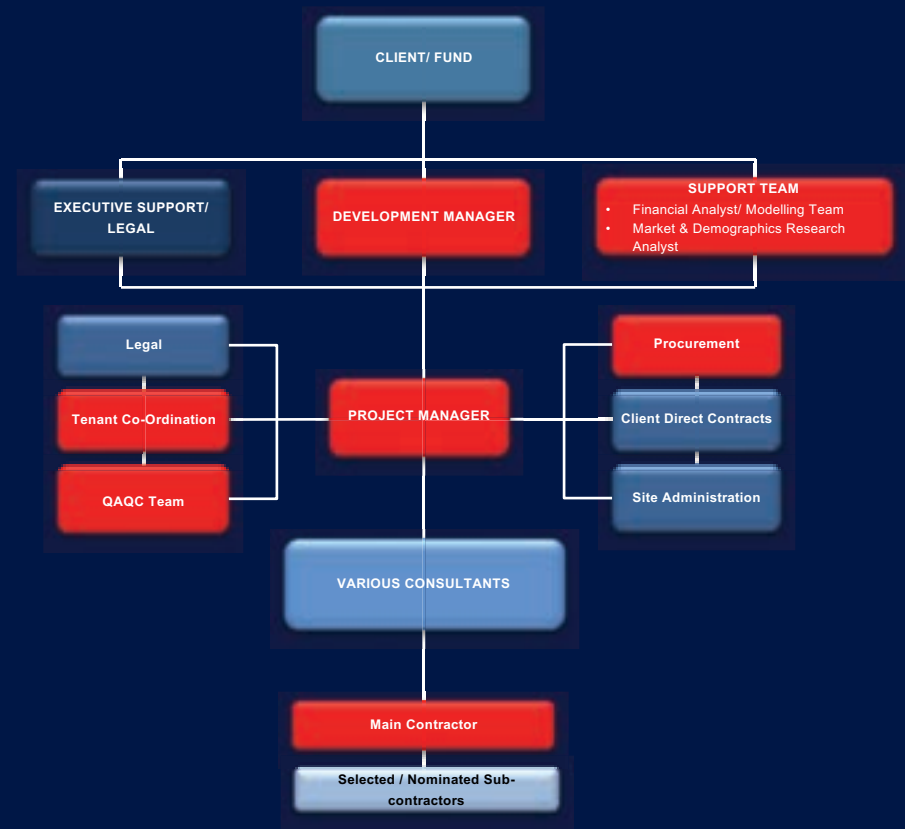
ACTIVITY MAP



Betts Townsend (Pty) Ltd is actively involved in various African Countries and have established good working relationships with the local authorities, companies and professional teams.

OUR SERVICES

- Development Management
- Project Management
- Construction Management
- Tenant Co-ordination
- Quality Management
- Programme Management
- Site Logistics Management & Procurement



CASE STUDY – THE HUB KAREN

INDEX

- Design
- Land Tenure
- Implementation of Bulk Services & Infrastructure
- Project Delivery
 - Project Management
 - Tenant Co-ordination
- Project Programme
- Price Points And Rentals
- Handover and Take Up
- Key Challenges
- Lessons Learnt



DESIGN

- Restructure and build a collaborative International and local consultant team.
- Value engineering.
 - Introduction of coffer system & quick stage resulting in reduction on programme and cost (+/- 10%).
- Open air – Embrace the Kenyan Spirit
- Efficiency of MEP services.
- Size
 - Total Square Meterage +/- 70 000m/2
 - Retail Component - 22 500m/2
 - Carrefour. - 5500m/2 (check with Ken)
 - Outdoor Piazza - 2000m/2
 - Commercial - Balance of GLA



LAND TENURE

- Erven Consolidation - Straight Forward.
- Zoning – Change of use from residential to retail and commercial.
- Change of use and amalgamation in line with statutory requirements and Stakeholders Management.
- Transparent negotiations with KLDA, Karen We Want, KENHA & KURA Process



IMPLEMENTATION OF BULK SERVICES & INFRASTRUCTURE

- Off Grid Services
 - Sewerage Treatment Plant
 - Recycling of non-potable water.
 - Supplementing Nairobi water supply through use of borehole.
- Accessibility and road networks.
 - Upgrade of the Dagoretti Road resulting to the upgrade of the sewer and storm water drain in the entire neighbourhood.
- Power supply
 - KPLC upstream
 - Infrastructure upgrade to accommodate current and future expansion.
- Benefit to downstream developments.



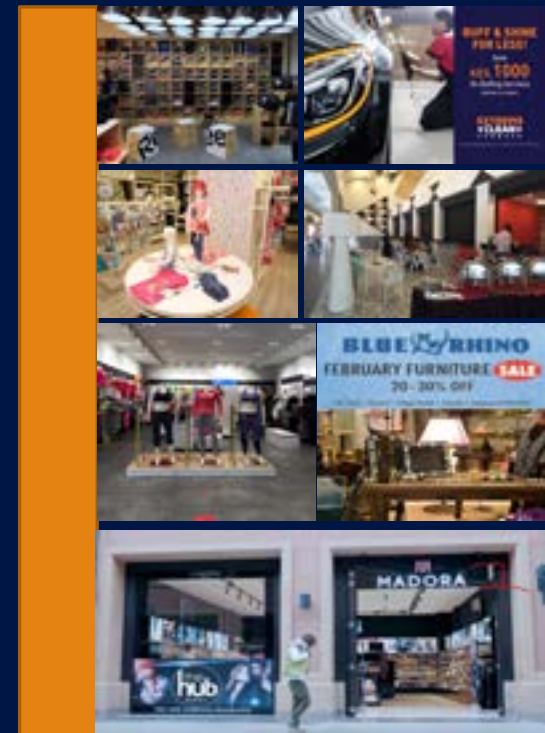
PROJECT DELIVERY – PROJECT MANAGEMENT

KEY CHANGES PROPOSED BY BETTS TOWNSEND

- Took control of the Principle Agent role, traditionally Architect function in Kenya for focused contract management.
- Moved contract from proposed JBC to FIDIC suite of contracts.
- Redefined and aligned all consultants KPIs (too many varying contracts in play).
- Set up a site based PMO office not arm-length cross-border project management.
- Best practice programming independent of main contractor reliability.
- Quality Control and Quality Assurance mechanisms. Ensuring both consultants and main contractor alignment.

PROJECT DELIVERY – TENANT CO-ORDINATION

- A new function in Kenya.
- Our role – Middleman between Leasing team and Landlord to protect income stream and ease migration for international tenants.
- Responsibilities;
 - To guide the Landlord design team to define grey box definition and expectations.
 - Control tenant installation specification costs for amortization on lease transactions and deal closure.
 - Assist in the definition and setting up of beneficial occupation periods and expectations for both build team and tenant alike.
 - Advise Landlord on tenant and lease agreement negotiations with tenants i.e. TLO negotiations etc.
 - Drive tenant design to international expectation and Landlord satisfaction.
 - Tracking tenant installations and fit out during BO periods to ensure trade date is achieved.



THE COMPLETED PROJECT



COMPLETION – PRICE POINTS, RENTALS, HAND OVER & TAKE UP

- Key Statistics :- Programme delivery.
 - Ground Breaking Date – 17th January 2014.
 - Practical Completion Date – 15th December 2015.
 - Overall – 22 months build period.
 - Trade date – 4th February 2016.
 - Record period for Kenya!!
 - Tenant take-up May 2017 95%.
 - Quality international product.

**IT CAN
BE
DONE!
WE DID
IT!**

KEY CHALLENGES

QAQC CHALLENGES – BIGGEST ENEMY

Limited procedure and systems integration

- Legislated standards

Lack of reporting systems from the Main Contractor

- Many years of getting away with poor standards, accepted by the industry, consultants and clients
- Refusal to work double shifts and lack of labour control

Lack of systems from consultants

- Local and international consultants need to intergrate systems.

Industry restraints

- Lack of plant hire and machinery
- Unsophisticated supply chain, no manufacturing in Kenya and plethora of substandard product and material.

knowledge as liabilities

- Excessively low P&Gs – direct bearing on quality control
- Contract law generally weak
- Programme management and training required

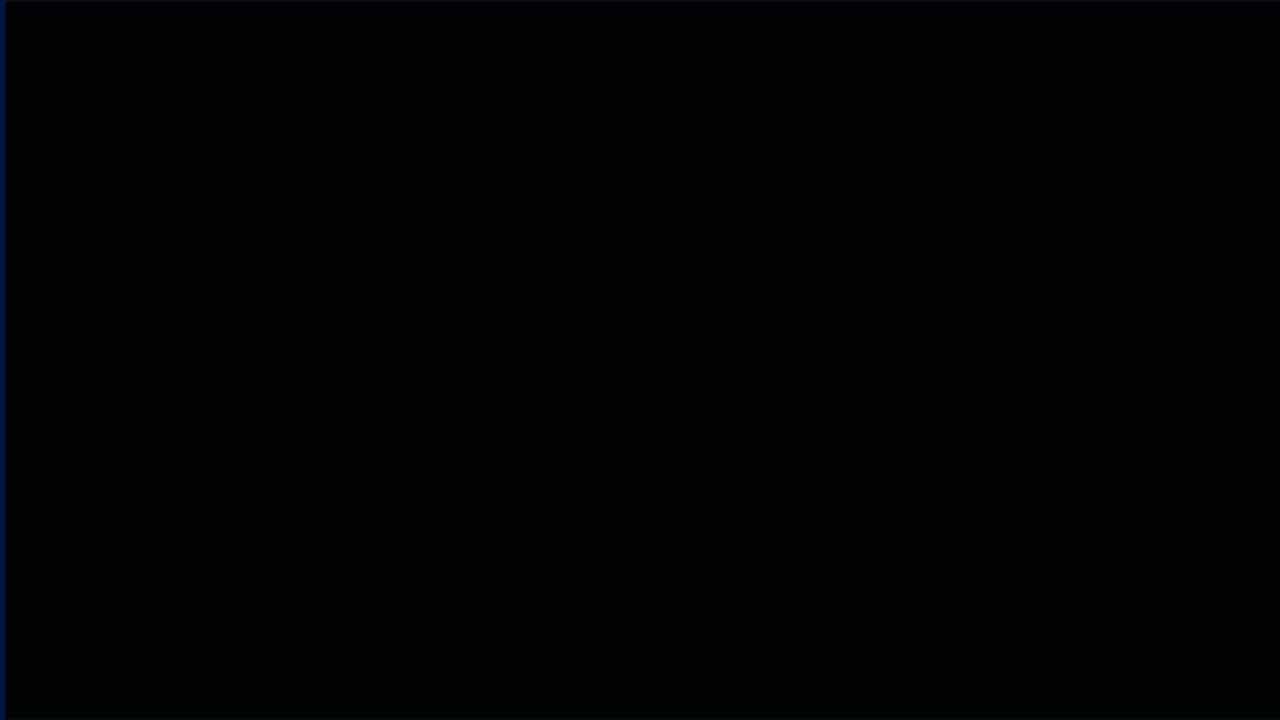


LESSONS LEARNT

1. Engage a healthy team and co-symbiotic team if international teams are involved – bridge the gap.
2. Employ an architect who will design a statement and signature- the age of “cookie cutter malls” has gone.
3. Set defined KPI’s within the team – Client and Consultants alike.
4. Listen to your programme managers - Execute within the timeframe you publicize.
5. Engage your leasing team early on – define your strategy early on.
6. Understand your tenant mindset in Kenya – it’s not a Eurocentric approach, nor South African roadshow.
7. Create a healthy balance in terms of occupancy prior to mobilization, not forgetting market tainted with non- performers and talkers!
8. Keep your tenants in the loop with regular tenant broadcasts (Planning is essential to all).
9. Ensure the Operations team and mall management team are in force at least 6months in advance.
10. Employ experienced Project Managers – they are the largest protectors of your income!



THE COMPLETED PROJECT



ASANTE!!



THANK
YOU!!

