

# **Project Development**

## **The HTP South West Branch Experience**

**Frankfurt**

**5th March, 2002**

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**Branch Manager**

**HTP South West Branch**

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- 1. Where are we?**
- 2. The reasons for success**
- 3. Problems / risks**
- 4. Current development-/ acquisition-projects**



## South-West Branch Frankfurt

- Baden-Württemberg
- Hessen
- Rheinland-Pfalz
- Saarland

## The reasons for success

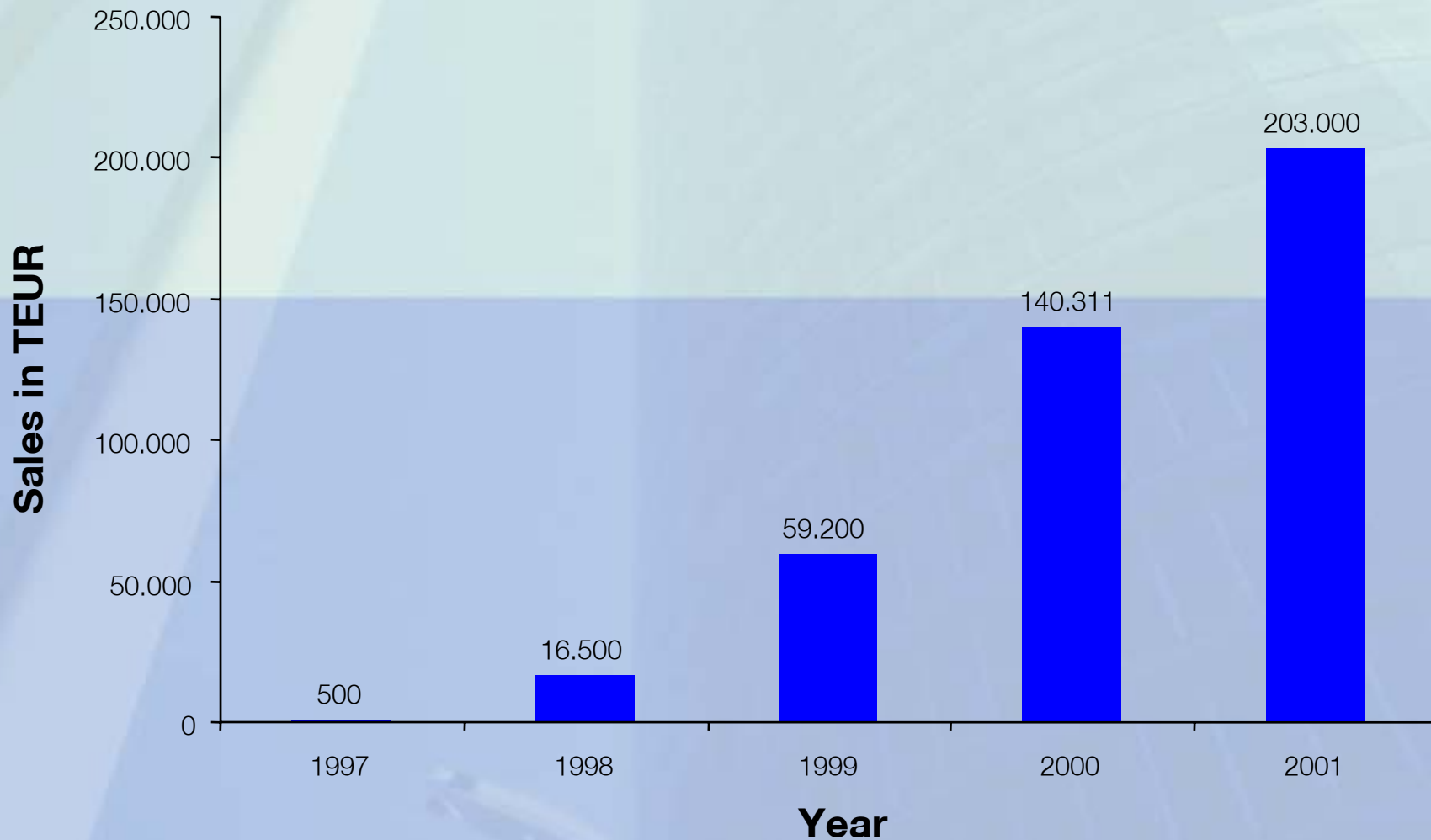
### Reasons

- |                            |          |                                       |
|----------------------------|----------|---------------------------------------|
| <b>1. SWOT- Analysis</b>   | <b>⇒</b> | <b>Internal / external reasons</b>    |
| <b>2. Benchmark</b>        | <b>⇒</b> | <b>Internal + external</b>            |
| <b>3. Positioning</b>      | <b>⇒</b> | <b>Competitors</b>                    |
| <b>4. Market analysis</b>  | <b>⇒</b> | <b>Specific market areas / phases</b> |
| <b>5. Product analysis</b> | <b>⇒</b> | <b>Product portfolio</b>              |
| <b>6. Personnel</b>        | <b>⇒</b> | <b>Qualification / motivation</b>     |
| <b>7. Organisation</b>     | <b>⇒</b> | <b>Profit-center-structure</b>        |
| <b>8. Strategy</b>         | <b>⇒</b> | <b>for the long term</b>              |
| <b>9. Objectives</b>       | <b>⇒</b> | <b>concrete</b>                       |

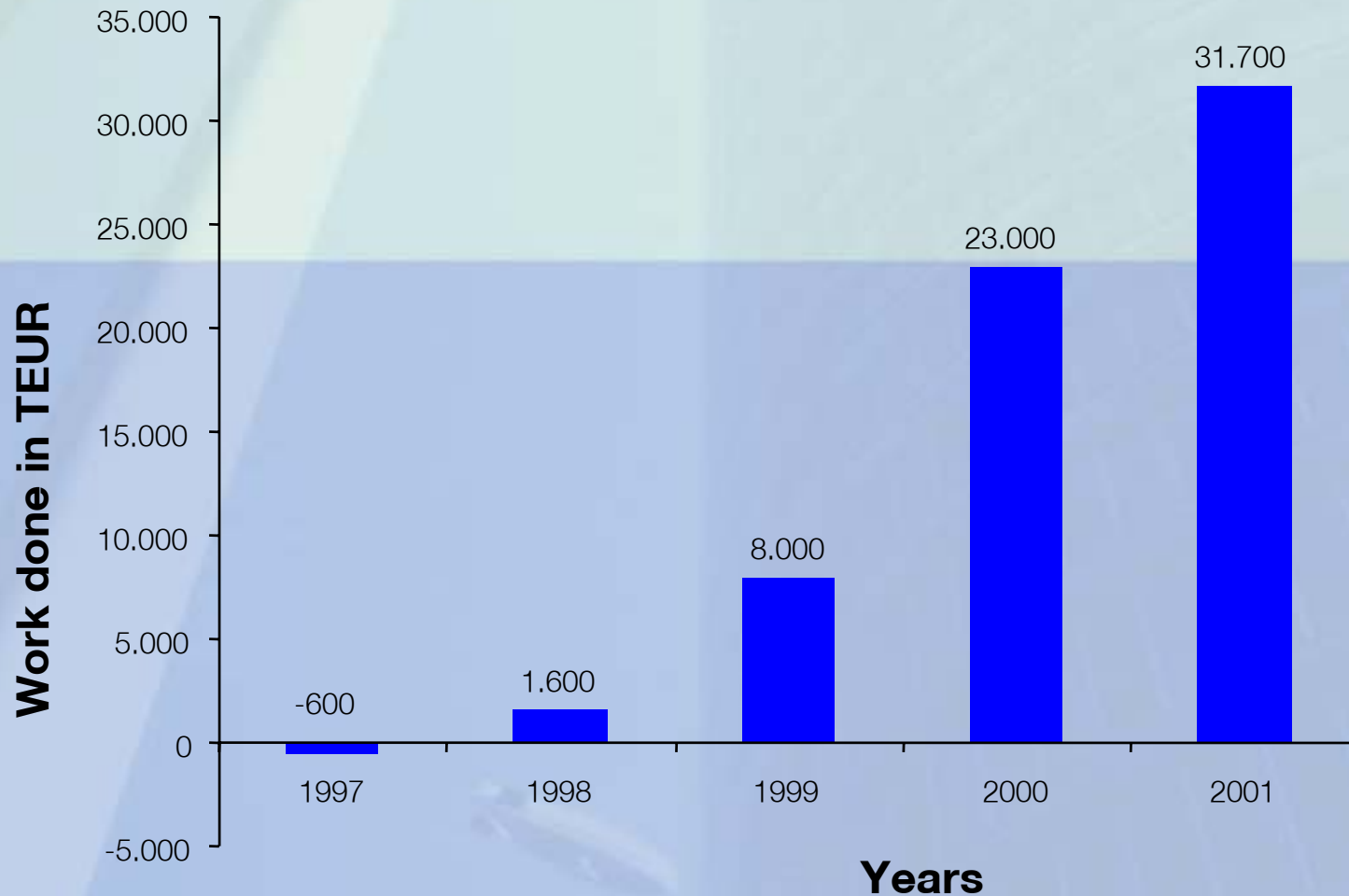
## **Looking back on the Development of the HTP South-West Branch**

- 1997** Foundation of the branch in difficult external (poor market-situation) and internal surroundings
- 1998** Integration of the Project Management within the SW-Branch
- 1999** Installation of the necessary Sales-Units
- 01.01.2000** End of HT Building's Shareholding in HTP
- 2001** HTP sets up 3 offices in Stuttgart, Heidelberg, Frankfurt with meanwhile more than 45 employees

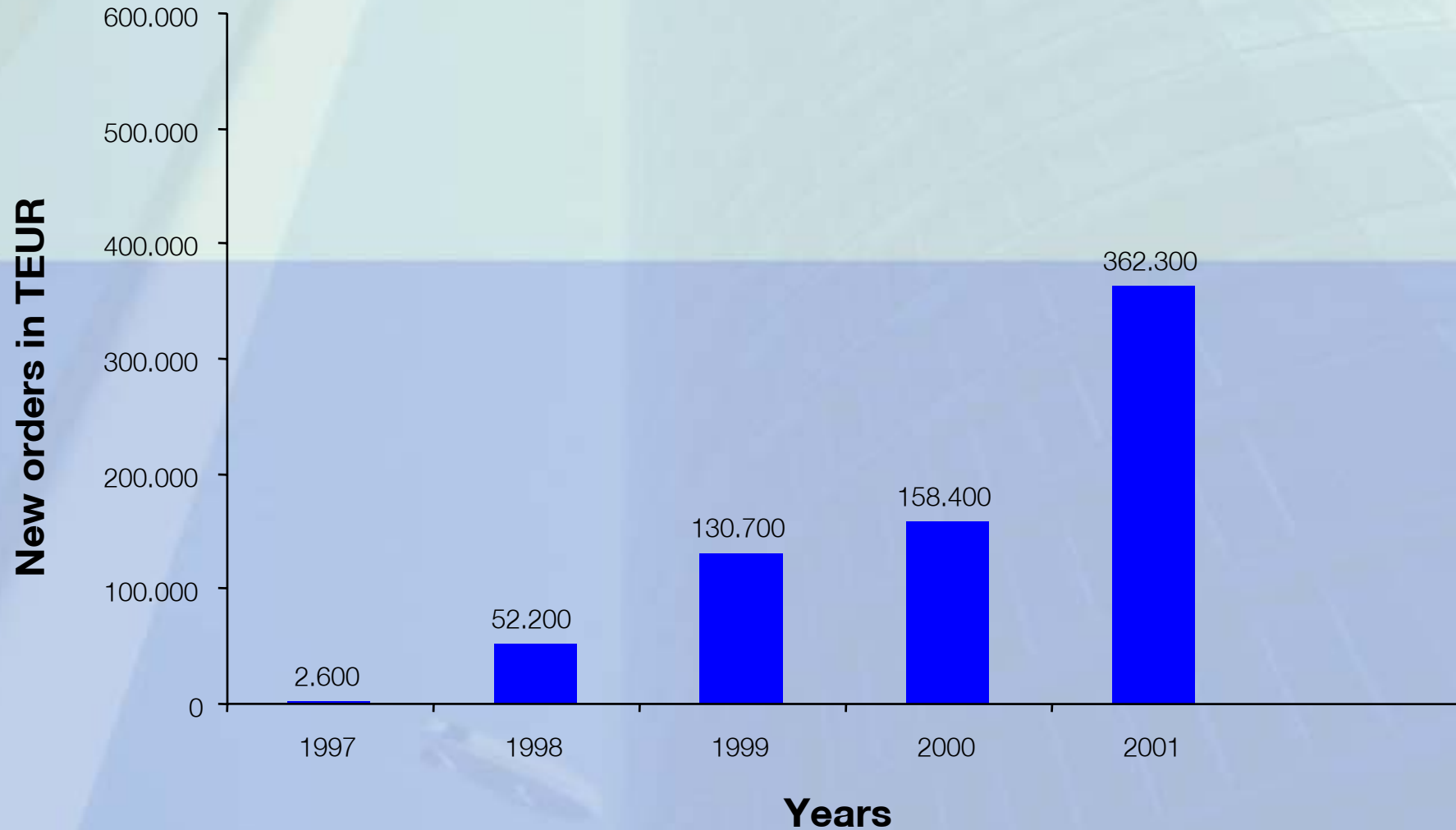
## Sales HTP South West Branch in TEUR 1997- 2001



## Economic Outcome HTP South West Branch 1997 - 2001



## New orders HTP South West Branch 1997 - 2001



## **SWOT-Analysis of the Branch: Strengths**

- **Highly-motivated and committed employees**
- **Regionalization by strategic business units (SBU) connected with extensive entrepreneurial freedom has led to a successful market-development with high profit within the branch**
- **Reliable access to company- and outside capital**
- **Clearly defined structures and decision processes reduce the typical conflict of interests between developer and general contractor**
- **Professionalization by capable project-management**
- **To continue keeping business volume and number of employees of all SBUs above the critical limit**

## **SWOT-Analysis of the Branch: Weaknesses**

- **Inadequate self-portrayal due to a lack of products with sole-position features**
- **Still too low market-presence of developing projects being under construction in several cities**
- **High degree of Business Cycle Dependence because of the high proportion of office-buildings (> 90% of the current projects)**
- **Owing to almost regional autonomy only slight comprehensive cross selling, knowledge-transfer, key-account-management**
- **Reporting- and decision processes require time-consuming administrative efforts**

## Competitors (e.g. Frankfurt)

### ■ OFB-Baubetreuung

#### **Subsidiary of Helaba**

Frankfurt, Maintower

Frankfurt, Kaiserlei

Frankfurt, Westhafen

### ■ DGMG

#### **Subsidiary of Deutsche Bank**

Frankfurt, Hochhaus MAX

Frankfurt, Hilton

Frankfurt, Händlerzentrum

### ■ Viterra

#### **Joint-venture of VEBA Immo and Raab Karcher**

up to now no significant projects in the Rhine-Main-region

## Competitors (e.g. Frankfurt)

### ■ Despa

#### ■ Funds company of the saving banks

Frankfurt, FLZ CargoCity Süd, 19.500 m<sup>2</sup>

Frankfurt, Hahnstraße 10.500 m<sup>2</sup>

Frankfurt, Herriot's, 37.700 m<sup>2</sup>

### ■ Groß

#### ■ Private Investor

Frankfurt, Opelkreisel

### ■ Bilfinger Berger

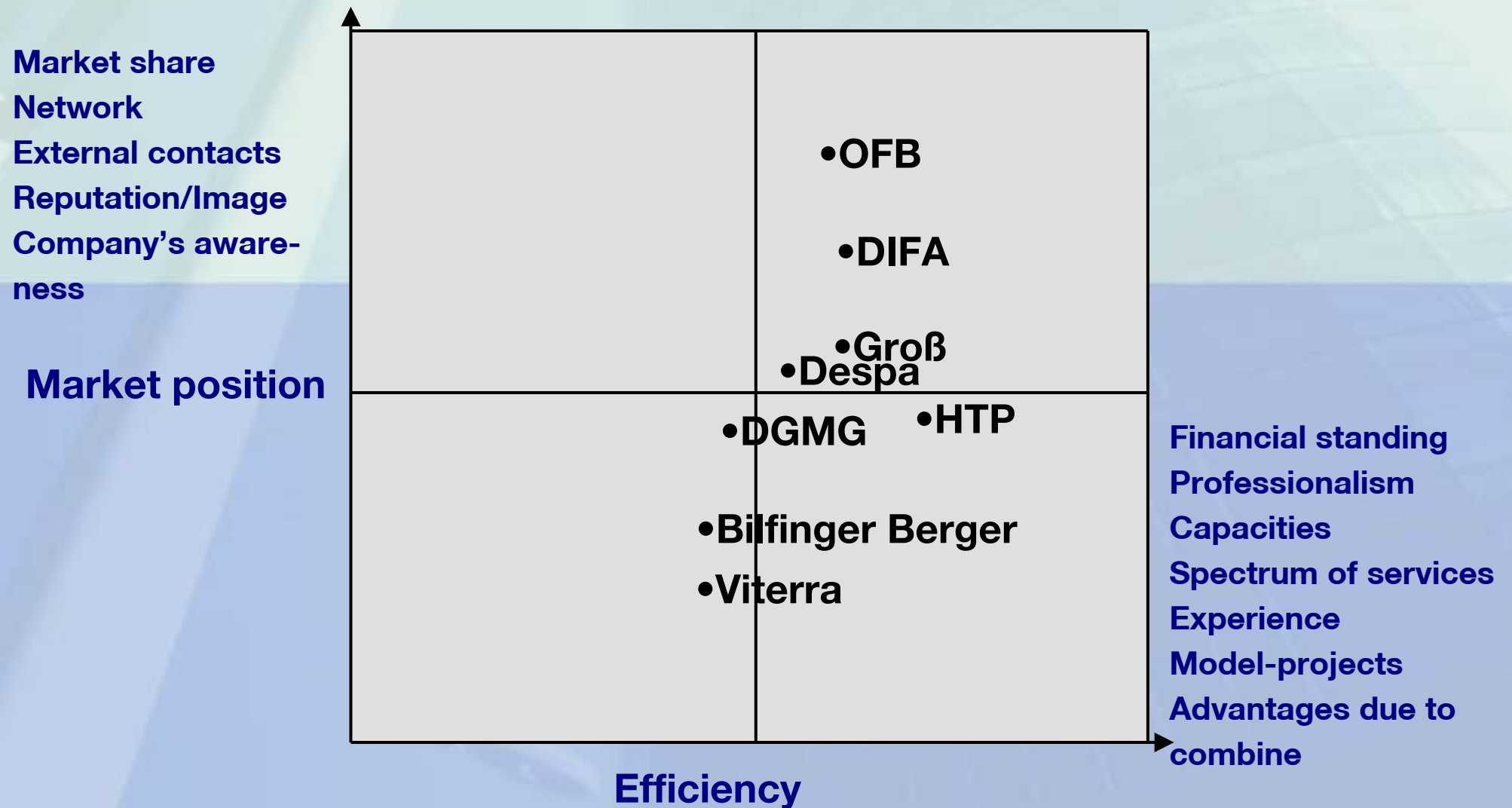
#### ■ Subsidiary of a construction combine

Frankfurt, Niederrad

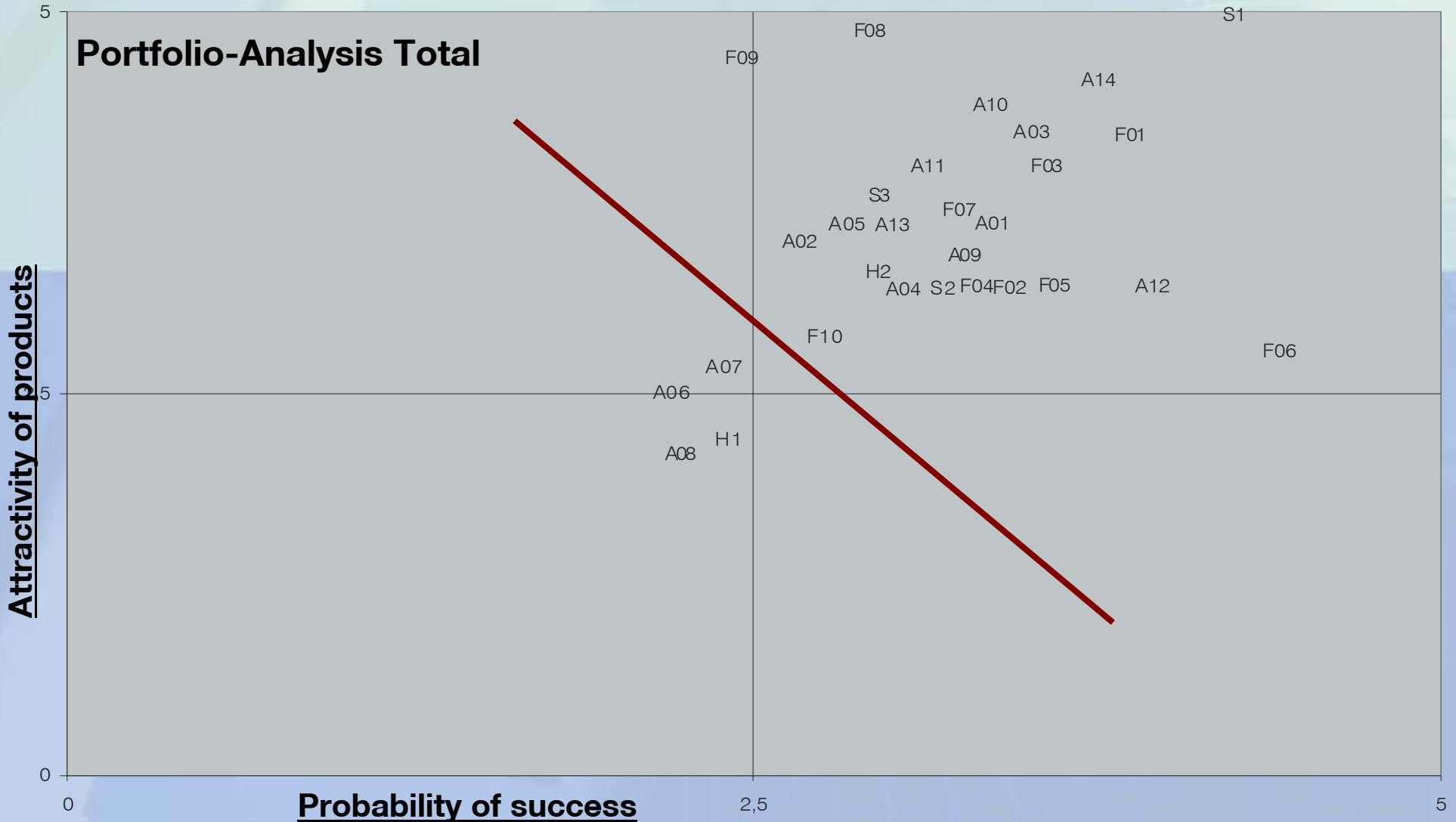
Frankfurt, Händlerzentrum Dresdner Bank

Frankfurt, Flughafen Platte

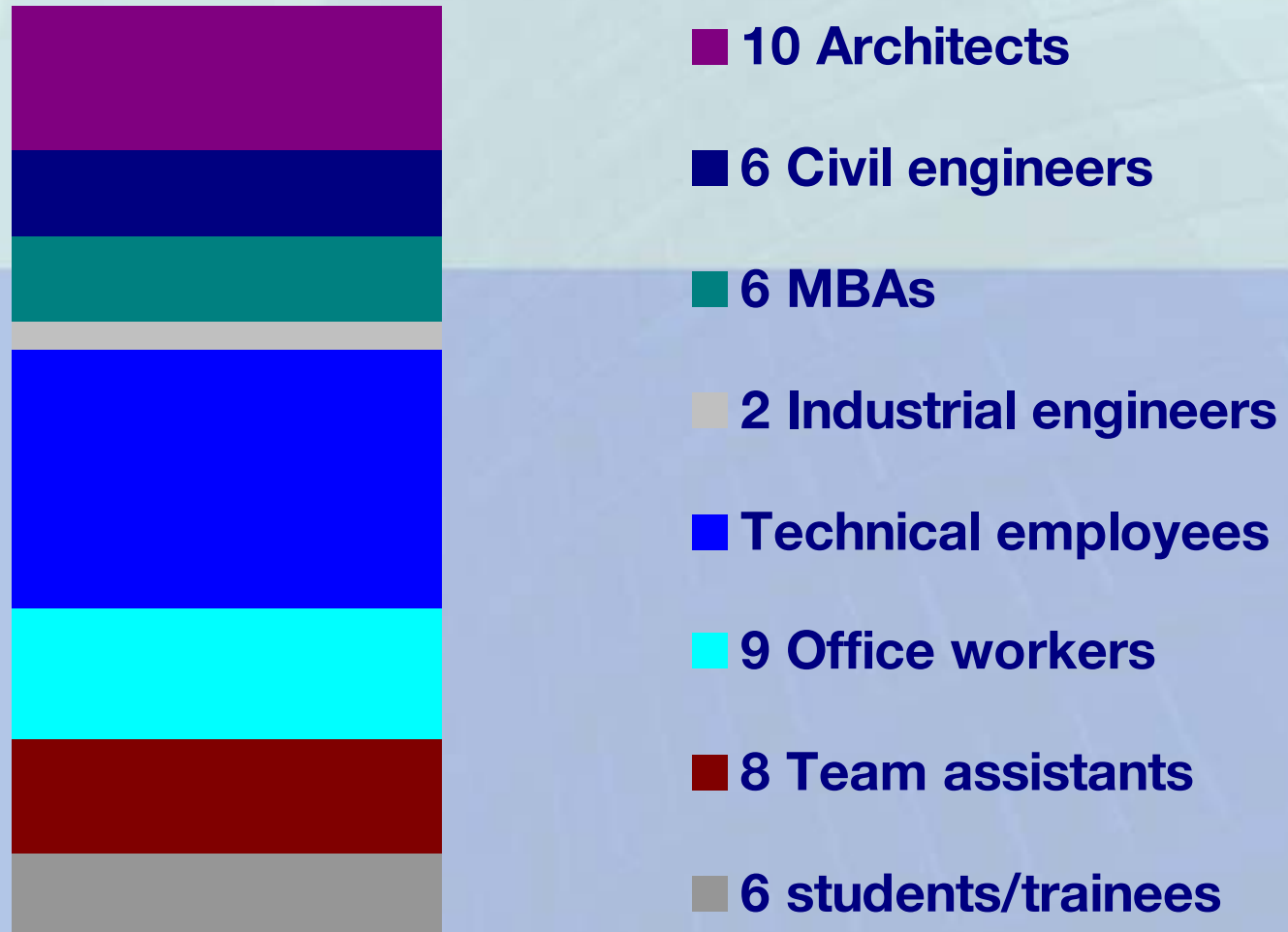
# PD-Positioning (Competitors) Office Frankfurt



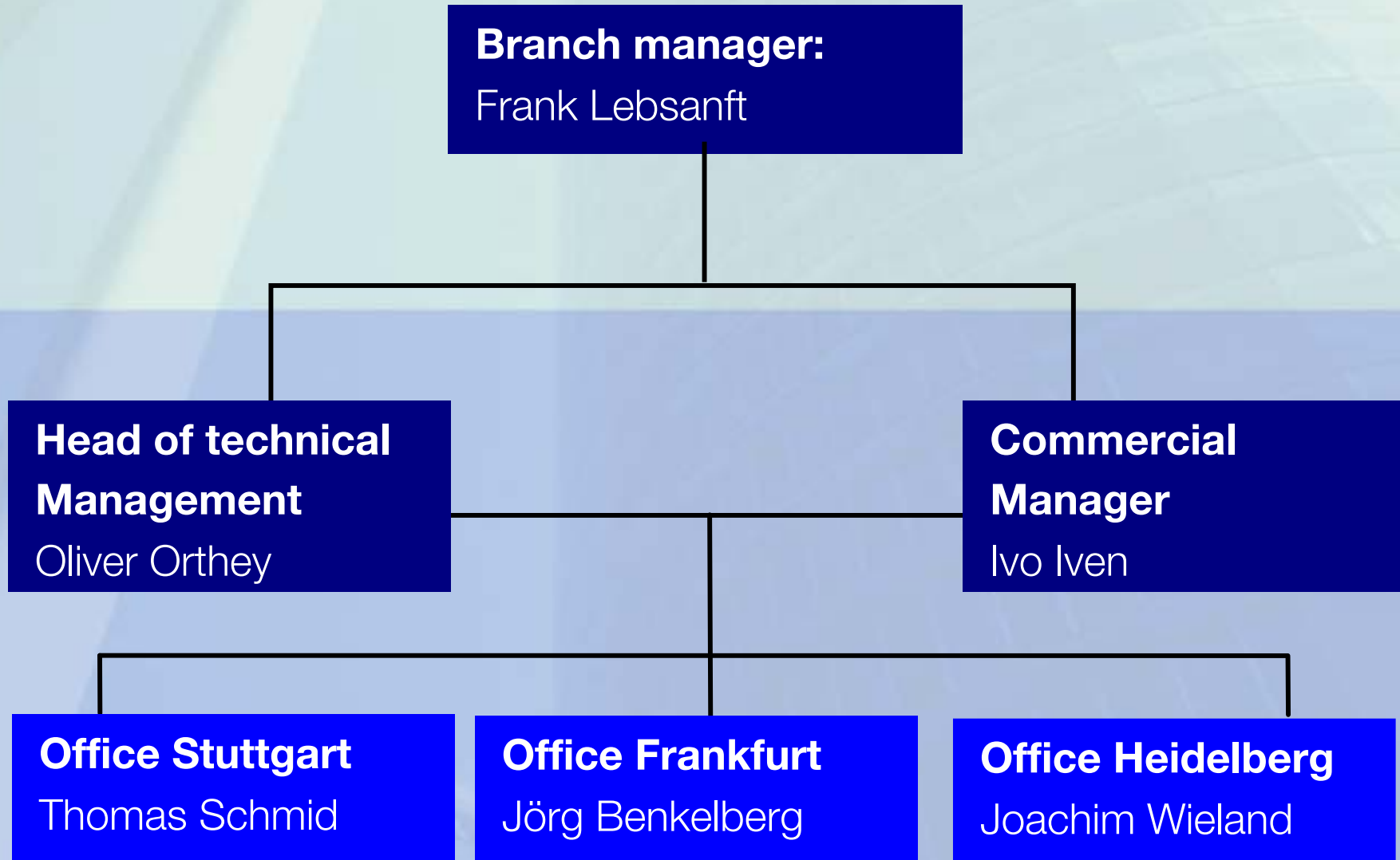
# Total product positioning



## Personnel structure / Qualification



## Organization

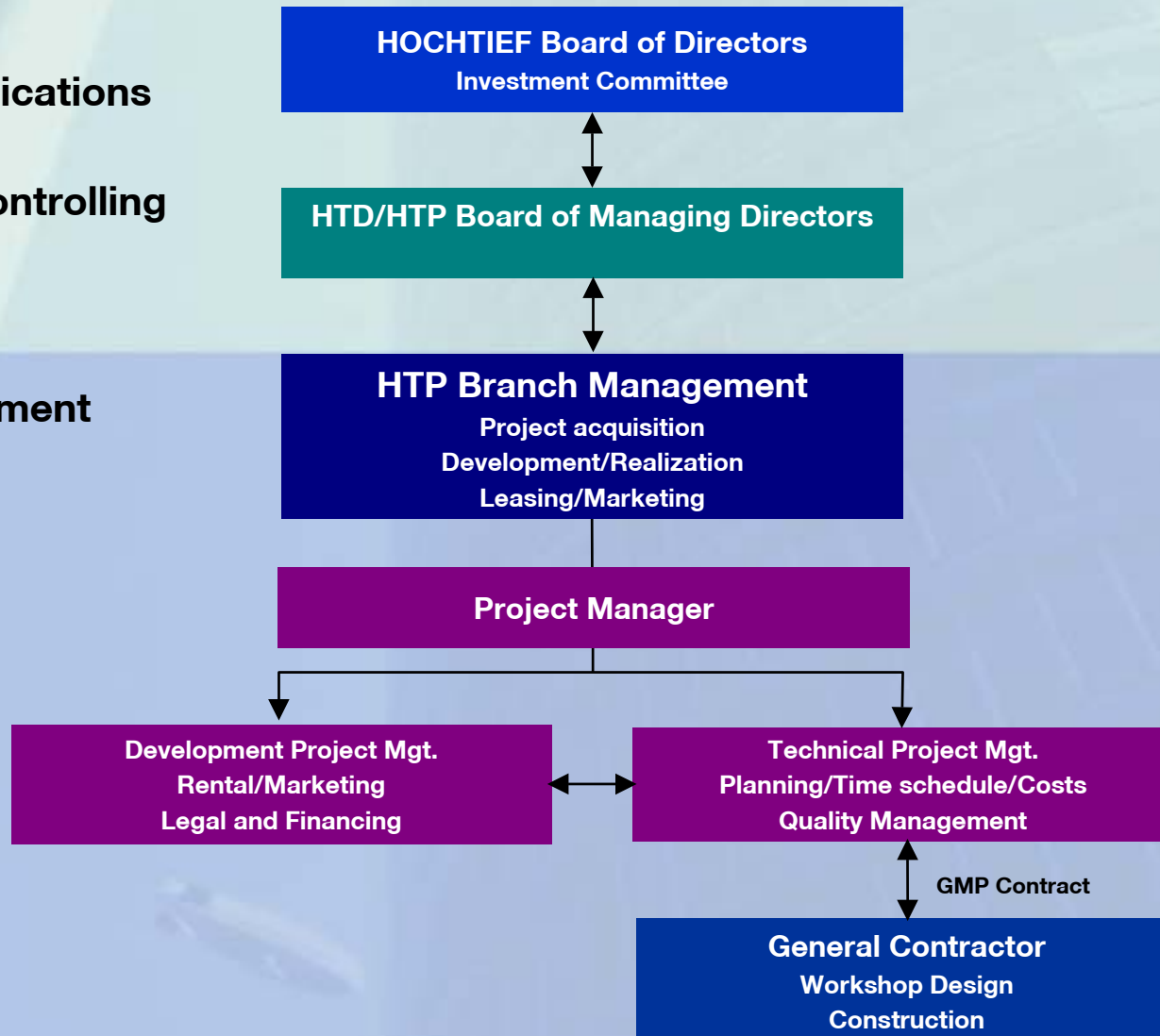


# Organization

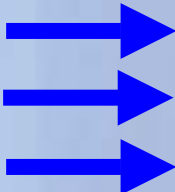
Approval of  
Investment Applications

Management/Controlling  
Responsibility

Project Management  
Responsibility



## Strategy & Objectives (1)

- **Megatrends (with influence on Real Estate Development)**
  - **From the production society to the service society - information society**
  - **Increase in the percentage of old people**
  - **Globalization**
  - **Centralization and Decentralization**
  - **Biotechnology**
  - **Leisure society**
-  **Anticipation of demand, trends and the uses of building types is an essential factor for successful project development**

## Strategy & Objectives (2)

- To achieve a high market-penetration in our markets
- Concentration on commercial projects
- Preferred realization of projects very likely to be repeated
- Strengthening of public relations work and network-formation
- Development of an USP for HTP SW - Branch
- Long - term secured ROE >18 %
- Leading market-position by satisfied clients becoming regular customers

## Strategy & Objectives (3)

### ■ Organization:

- Profit-Center structures of all SBUs
- Project-team-organization
- Key-accounting per user / product
- Installation of lobby- / acquisition-perspectives
- Network extension

### ■ Positioning:

- Objective: market-leadership within 3 years



**HOCHTIEF Prisma  
Frankfurt**

**Floor space:**  
34,166 m<sup>2</sup>

**Parking lots:**  
450

**Investment:** EUR 110.4m

**Development**

**Margin:** > 10%

**Users:** HOCHTIEF and  
third parties

**Investor:**  
CommerzLeasing und  
Immobilien GmbH

**Realization period:**  
1999 - 2001

**Office Buildings  
Administration Hotels**



## Friedrichs-Carré Stuttgart

**Floor space:**  
19,095 m<sup>2</sup>

**Parking lots:**  
255

**Investment:** EUR 73.9 m

**Margin:** > 35 %

**Tenant:**  
PWC

**Investor:**  
Bayer. Apothekerver-  
sorgung (Bayerische  
Versorgungskammer)

**Realization period:**  
1999 - 2001

**Office Buildings  
Administration Hotels**



  
**TOWER 24**

**GFA Office:**

**33,000 m<sup>2</sup>**

**Total investment**

**200 Mio. EUR**

**Volume: EUR 200 m**

**Margin: > 20 %**

**Developing-period:**

**1999 - 2005**

**Office Buildings  
Administration Hotels**



# The Team of HTP SW

