

Commercial Excellence International Programme 2020



Commercial Excellence International Programme 2020

Programme Manager

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Operations Manager**

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Commercial Excellence Programme

5 x 2 day Modules in KSA



Commercial Excellence Programme Schedule

January							February							March							April											
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S					
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5	6	7	8	9	10	11	2	3	4	5	6	7	8	8	9	10	مطارات الرياض riyadh airports	13	14	5	6	7	8	9	10	11						
12	13	14	15	16	17	18	9	10	11	12	13	14	15	15	16	17		20	21	12	13	14	مطارات الرياض riyadh airports		17	18						
19	20	21	22	23	24	25	16	17	18	19	20	21	22	22	23	24	25	26	27	28	19	20	21			24	25					
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May							June							July							August											
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3	4	5	6	7	8	9	7	8	9	10	11	12	13	5	6	7	مطارات الرياض riyadh airports	10	11	2	3	4	5	6	7	8						
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17	18	19	20	21	22	23	21	22	23		26	27	19	20	21	22	23	24	25	16	17	18	مطارات الرياض riyadh airports		21	22						
24	25	26	27	28	29	30	28	29	30	26	27	28	29	30	31	23	24	25			28	29	23	24	25							
31																				30	31											
September							October							November							December											
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S					
			Dublin Airport		4	5					1	2	3	1	2	3	4	5	6	7			1	2	3	4	5					
6	7	8	9	10	11	12	4	5	6	7	8	9	10	8	9	10	11	12	13	14	6	7	8	9	10	11	12					
13	14	15	16	17	18	19	11	12	13	14	15	16	17	15	16	17	18	19	20	21	13	14	15	16	17	18	19					
20	21	22	23	24	25	26	18	19	20	21	22	23	24	22	23	24	25	26	27	28	20	21	22	23	24	25	26					
27	28						25	26	27	28	29	30	31	29	30	27	28	29	30	31	27	28	29	30	31							



الابتكار
Innovation



السلامة
Safety



الالتزام
Commitment



التعاون
Collaboration



الإنجاز
Achievement





TOP
AIRPORTS

50
37

MILLION PASSENGERS BY 2030

قيمنا تقودنا
لتطلعاتنا

Values lead to Aspirations



مطارات الرياض
riyadh airports



Lorcan Tyrrell Bio

Module 1

Commercial Property,
Commercial Focus

Lorcan Tyrrell is VP of Development for Dublin Airport Central. Lorcan has been responsible for the development of Ireland's first true airport city. From a vision 12 years ago to the ultimate delivery of new 250,000ft² commercial offices outside of Dublin airports T2, Lorcan has worked with all the various stakeholders to ensure a holistic approach to the development. This development is key for the airport and its region.

Also as part of Lorcan's previous responsibilities, he directed the Group Commercial Property Portfolio. This consisted of a variety of logistics, terminal, office and MRO accommodation across 3 airports in Ireland.

Prior to joining daa, Lorcan worked on the Dublin Port regeneration project with the development of International Financial Services Centre and Grand Canal Harbour developments as well as the infrastructure required to service it. Lorcan has also worked on a number of trade missions to attract international businesses to Ireland.



Commercial Excellence Programme - Module 1

1 Commercial Property & Revenue Opportunities

Transferring the Knowledge

Asset Management

- Property Management
- Facilities Management

Master Planning

Infrastructural Design

Commercial Focus

Commercial opportunities & decision making

Maximising Revenue Streams

Opportunities for RAC

Commercial Property Participant Project

Mar 4th & 5th 2020

Day 1

Asset Management Approach At Dublin Airport (Property Management)

- Review of portfolio of properties / asset classes
- Key account management
- Industry sectoral approach
- Developing an aligned strategy

Asset Management Approach At Dublin Airport (Facilities Management)

- Why have Facilities Management
- Knowing your Asset
- Managing your Asset efficiently
- Value Added Services

Master Planning / Infrastructural design with a Commercial Focus

- Developing the right opportunity first time
- Benchmark reviews
- Getting the right team and vision

Commercial Focus

- Balancing the Books, Vision and Commercials
- Development Strategy
- Governance

Day 2

Identifying & Leveraging Opportunities To Maximise Company Assets

- Commercial Components related to Airport Customer and Stakeholders. Current & Future
 - ✓ Listen to the voice of the customer!
- Objectives and goals
- Governance to make decisions
- Land Developer or Property Developer

Revenue Streams

- Rental or Concession
- Airside or Landside
- Hotels
- Offices
- Carparks
- Lands
- Value Added Services

What could we do at RAC

- Vision 2030
- Themes to explore opportunities
- Operations / Non Operations

Introduction of Module 1 Project

Next Steps

1 Commercial Property & Revenue Opportunities

Project 1

Research World Class Facilities and Infrastructure available at Global International Airports

- Prepare a research paper outlining large scale investments made by Global International Airports which you feel demonstrates a great example of;

- Innovative & Big Picture Thinking
- Planning for the Future of Aviation, Stakeholder & Passenger Expectations

- **Write a Business Case** for a similar Capital Investment for RAC which you feel would add value to our property portfolio

- Alternative; Choose a completely new, innovative business proposition and write a Business Case for consideration by RAC Senior Commercial Team

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The Plan for 2 day workshop

This will look at

- **Asset Management approach at Dublin Airport including Account Management & Processes**

- **Big Picture Thinking - Master Planning / Infrastructural design with a Commercial Focus**

- **Identifying & leveraging opportunities to maximise property / land owned for development /rental / lease**
 - **What Opportunities will we explore at RAC**

 - **Stakeholder Management and the importance of communications**

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The Plan for 2 day workshop Agenda

Day 1.1

- **Asset Management approach at Dublin Airport (Property Management)**
 - Review of portfolio of properties / asset classes
 - Key account management
 - Industry sectoral approach
 - Developing an aligned strategy

Day 1.2

- **Asset Management approach at Dublin Airport (Property Management)**
 - Review of portfolio of properties / asset classes
 - Key account management

Day 2.1

- **Importance of Stakeholder Management**
 - Commercial Components related to Airport Customer Listen to the voice of the customer!
 - Objectives and goals

Day 2.2

- **What are our Real Estate Strategic Objectives at RAC**
 - RE Development v Airport Operations
 - Challenges
- **Next Steps & Wrap Up**

Asset Management approach at Dublin Airport (Property Management)

- Review of portfolio of properties / asset classes
- Key account management
- Industry sectoral approach
- Developing an aligned strategy

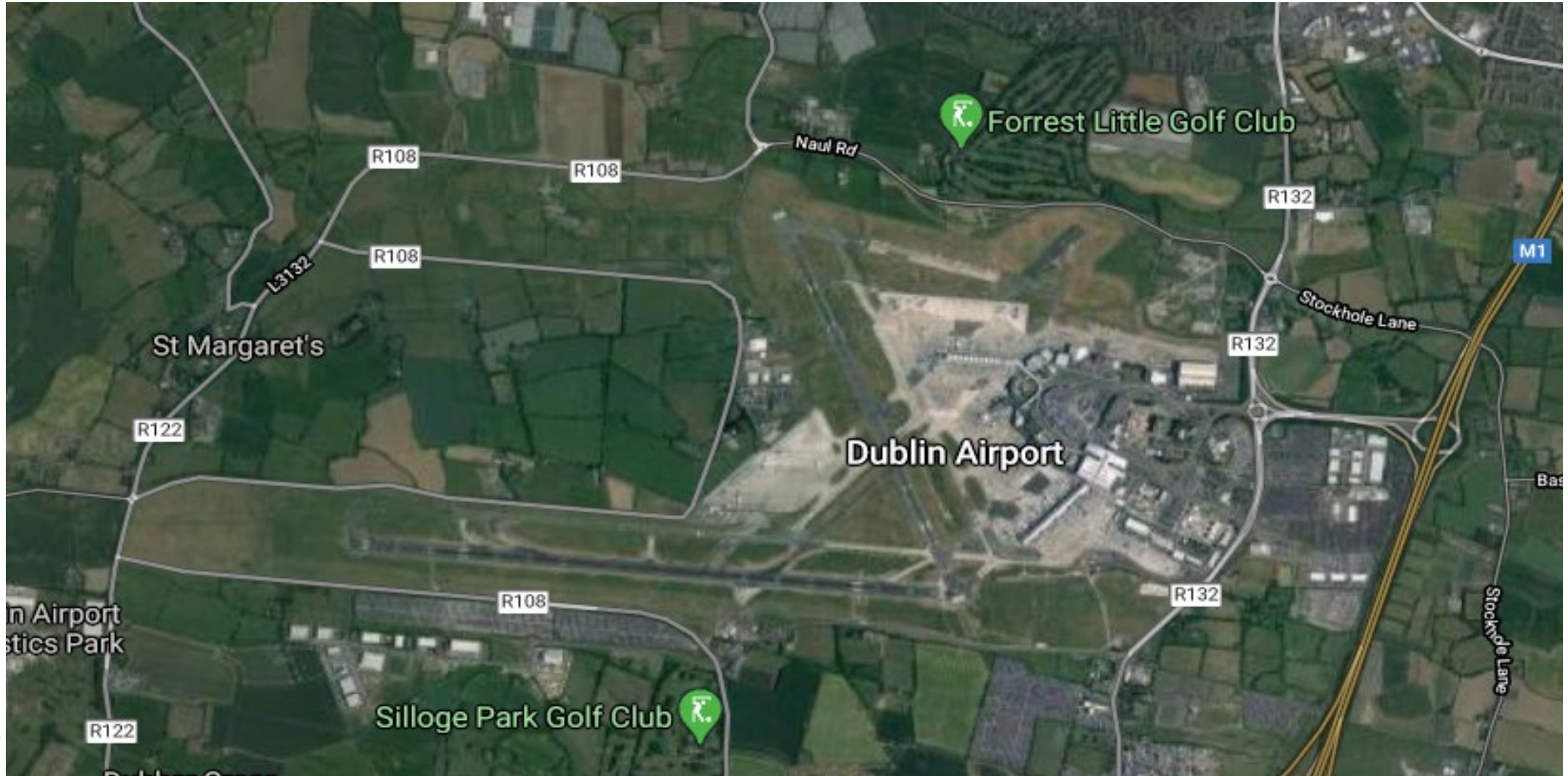
Understand the property portfolio and the assets therein at Dublin

Can we look at this for RAC?

Team structure and key account process from sales to ops to expiry / renewal inc CEPs

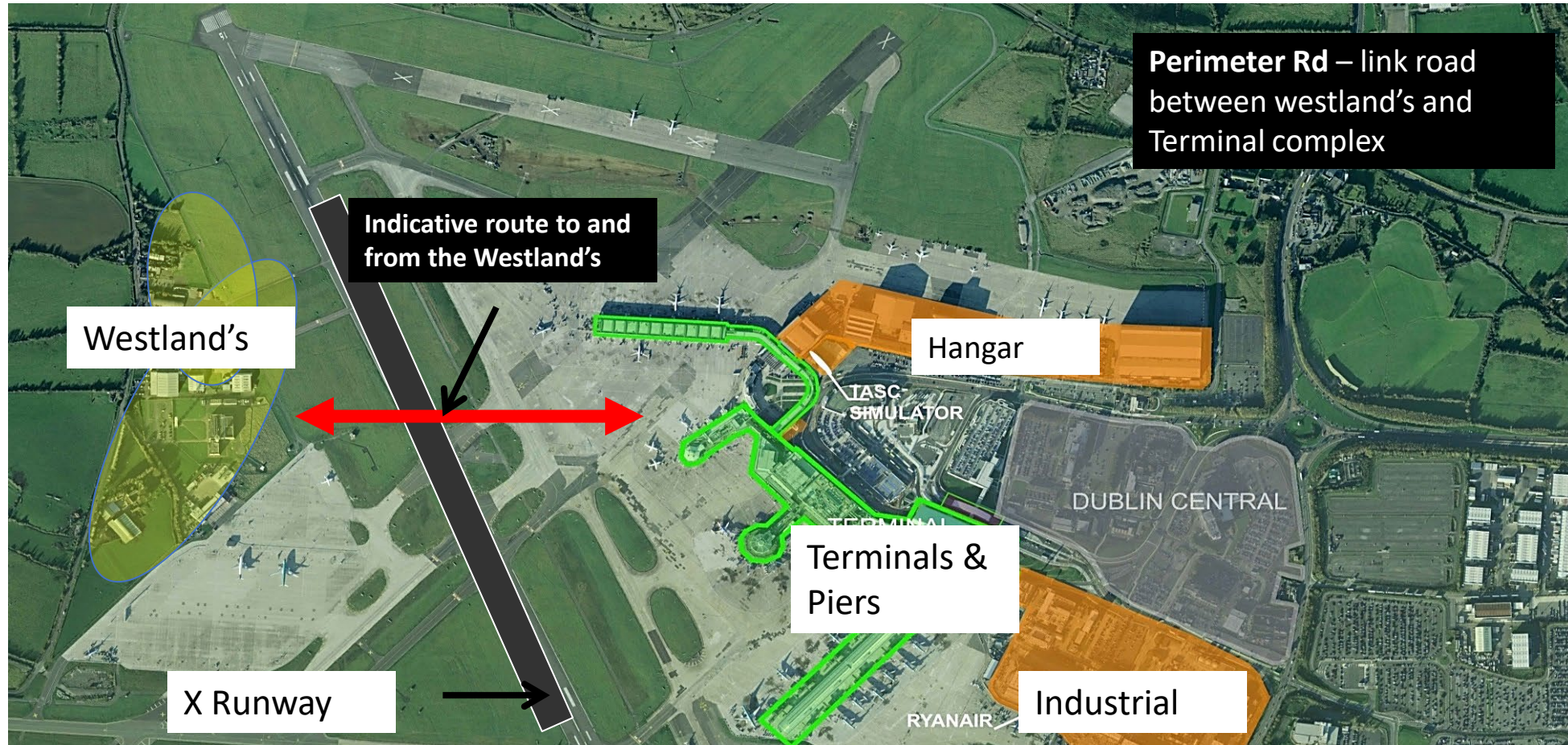
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We manage a portfolio of 2,500 acres



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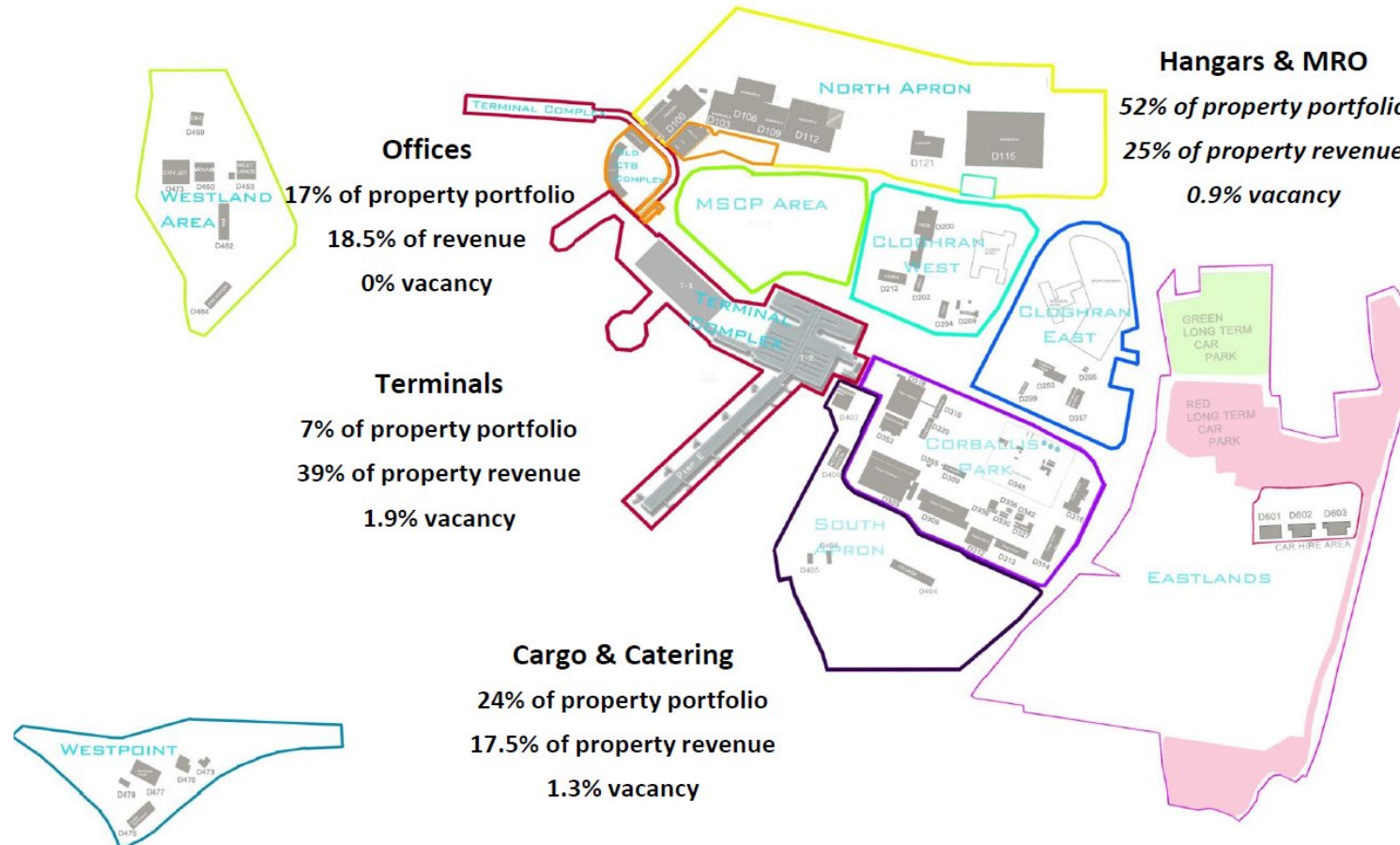
Airside development will continue on the east side of R\W 16\34 until it is decommissioned, and access between the Westland's and east is unconstrained



Plan required for each airside location ie. T2, T1 etc. to satisfy property requirements pre-decommissioning of the X R/W

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Property Portfolio



- Total size of Commercial Property – c.150,000 sq m
- Property revenue of c.€28m
- 3.7% of commercial property is unoccupied of which 2.8% of this is reserved
- True vacancy rate of 0.9%

Our business is to develop market and manage the commercial property portfolio

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Driver of demand- Forecast growth in ATM 2020

Pier 1 - +44 ATM

Pier 2 - +13 ATM

Pier 3 - +16 ATM

Pier 4 - +27 ATM

Airside & Terminal

T1 – Handler Satisfy
Ryanair Growth

T2 – Airline Acc & Lounge &
check-in desks & Ramp
accommodation

T2 handler
accommodation

We are getting ahead of the demand curve for Airside & Terminal space by interpreting forecast ATM's and working with customers on future requirements

We try to locate our customers close to where their business is located

Airside & Terminal



Growth option for Boeing in Fire Station/Credit Union/North Terminal



Ryanair are seeking additional handler & crew acc. In 1-2 years

New Airline

T1 Airline accommodation



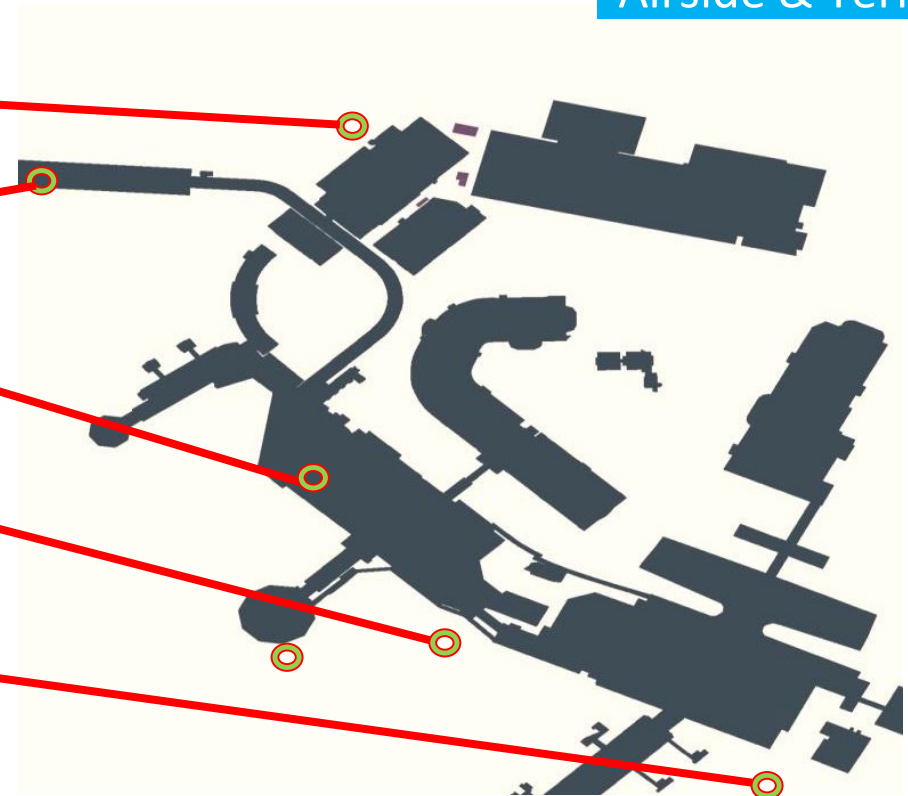
Relocation Sky to location between Pier 3 & 4



Relocation Etihad from Pier 1, South apron to larger premises

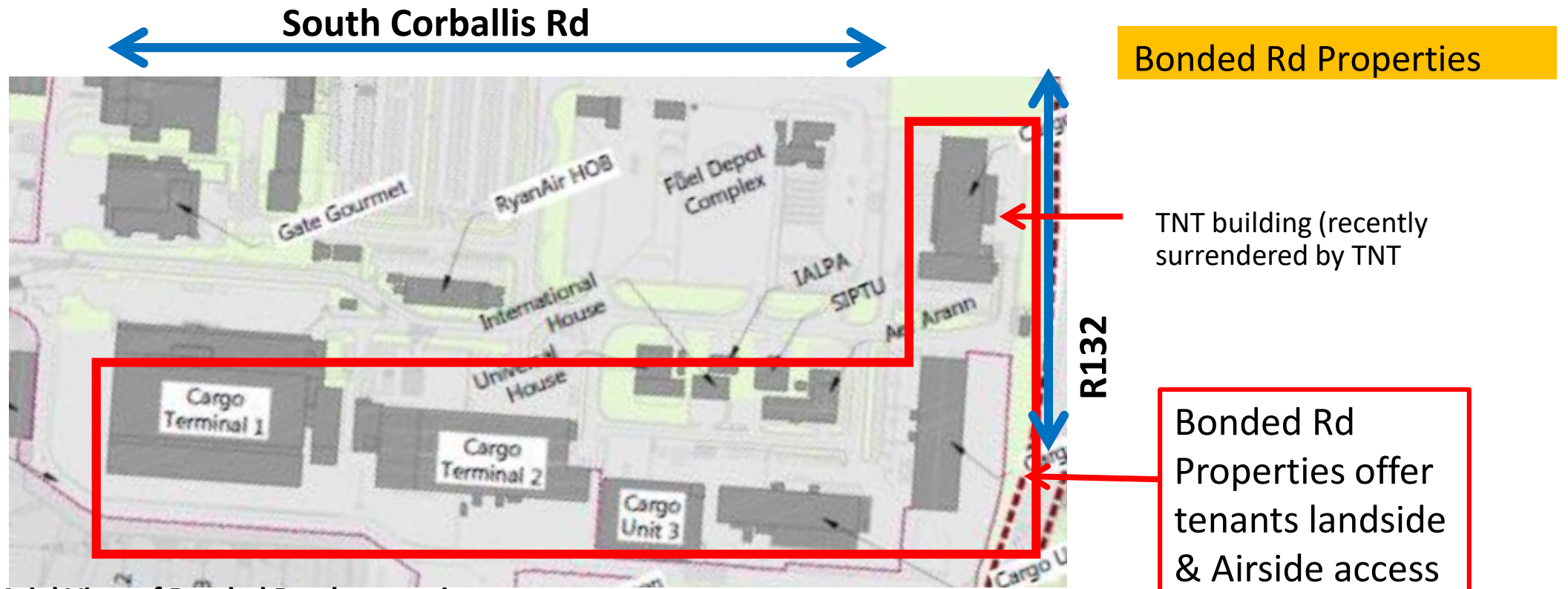


Delta Airlines seeking to additional P4 handler accommodation



Cargo facilities are a key activity for aviation and represent 1% volume and 30% of the value of imports and exports

Dublin Bellyhold through put has increased by 30% over the last five years, this has triggered recent demand these properties, leaving only 10% vacancy.



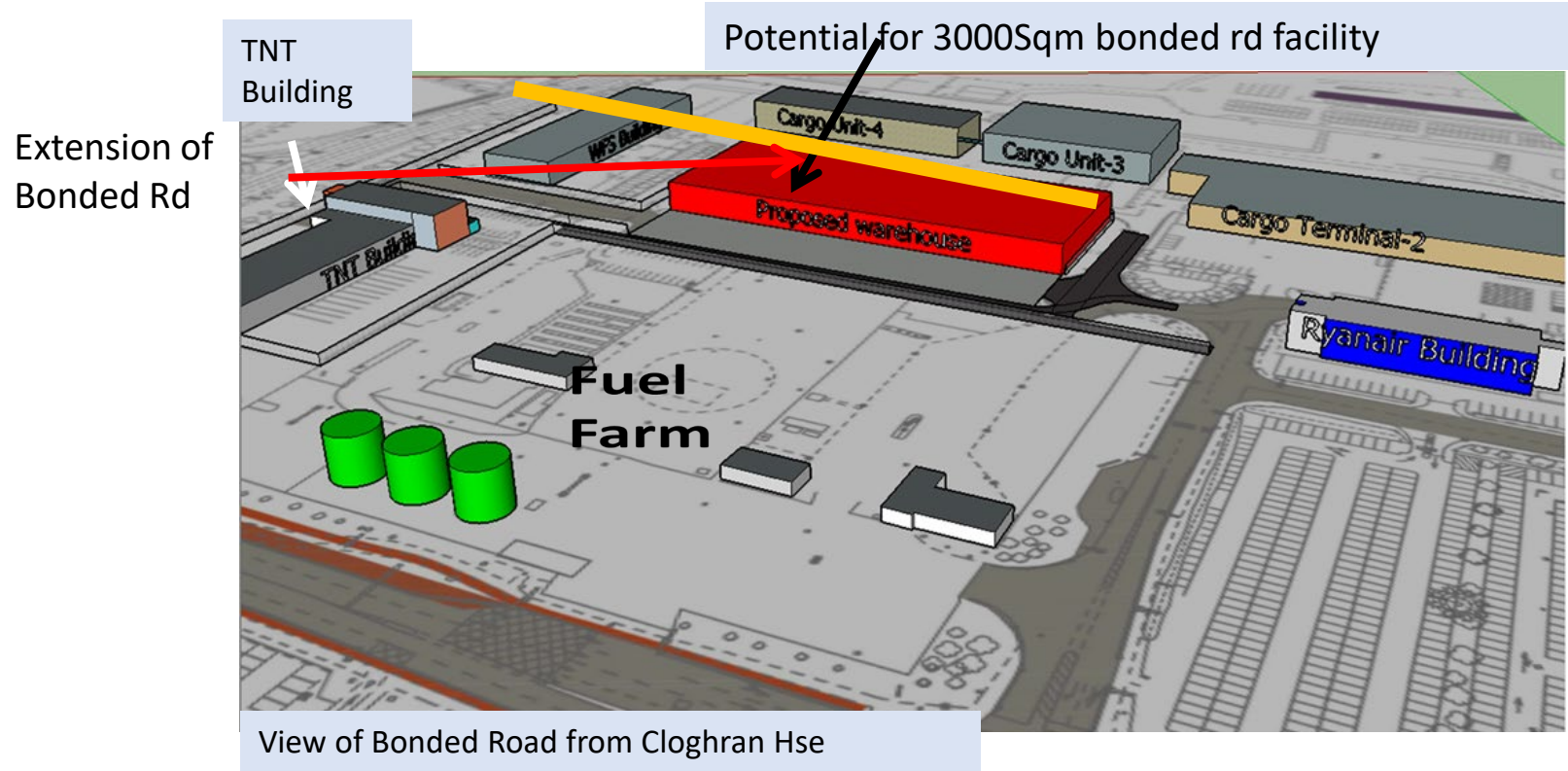
Aerial View of Bonded Road properties

Forecast growth in new Wide body routes at Dublin will drive demand for additional Bonded Rd space

We are future proofing additional space with a development plan to extend the Bonded Rd and to add a further 3000sqm facility

There are 3 pavilion office buildings on the proposed site, the proposal is to relocate these tenants to vacant space in the TNT building

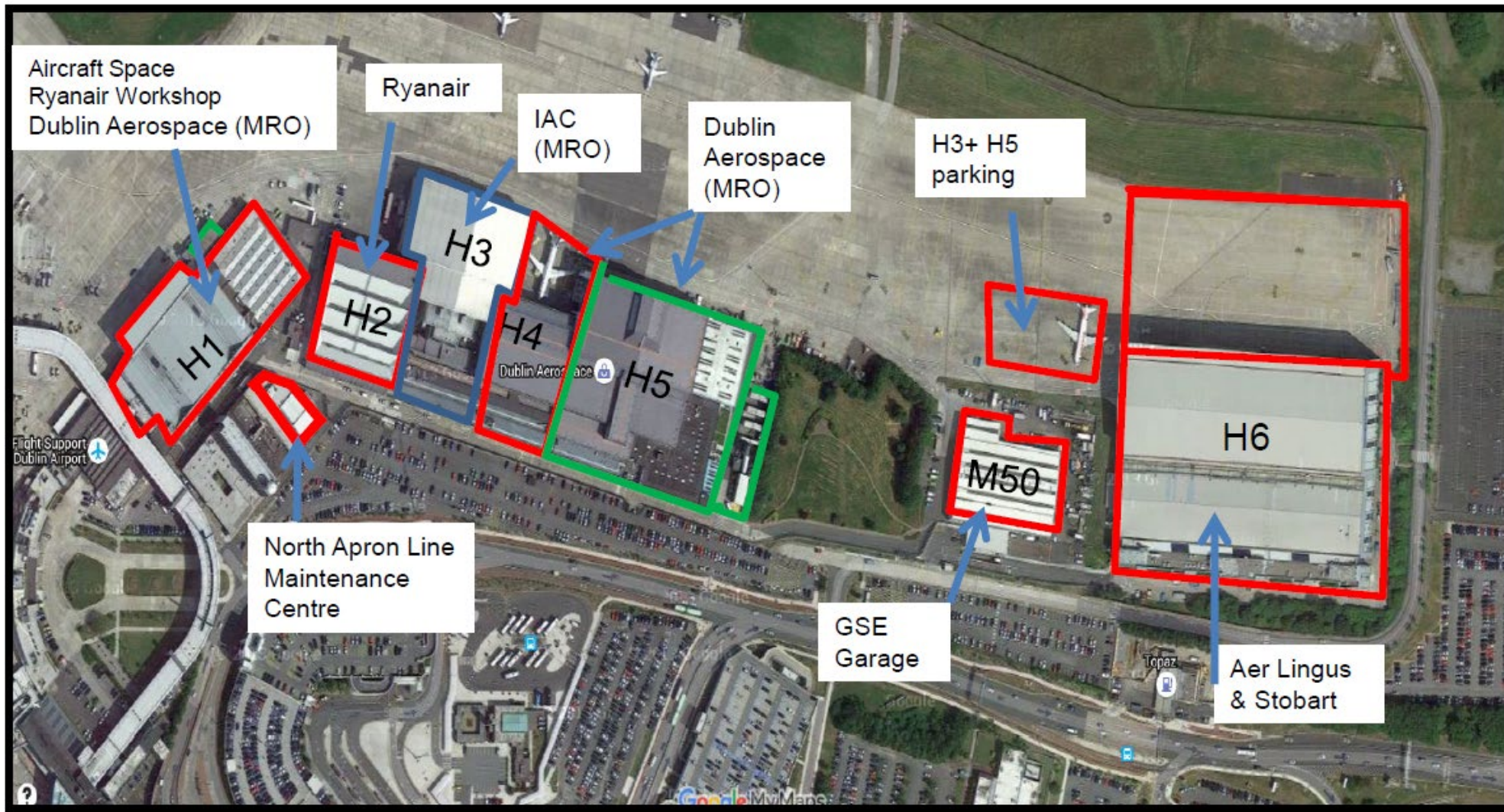
Bonded Rd Properties



Bonded Rd properties support long haul growth

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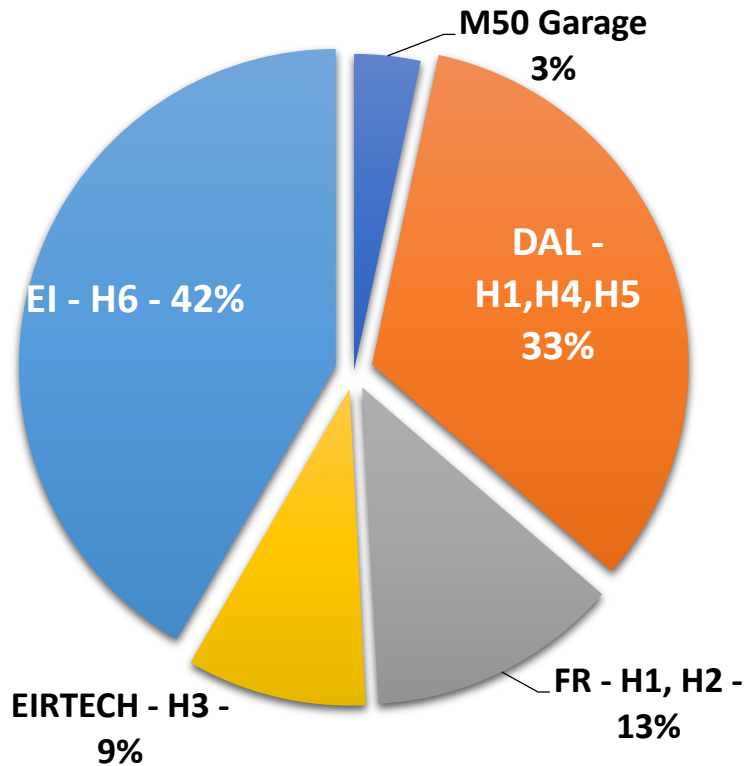
MRO Current Composition



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Hangars: Acquired account for 25% of our annual property income

% €5.2m revenue from North Apron by customer



Hangars accommodate MRO and line maintenance for home based carriers

DAL - MRO



Eirtech - Painting



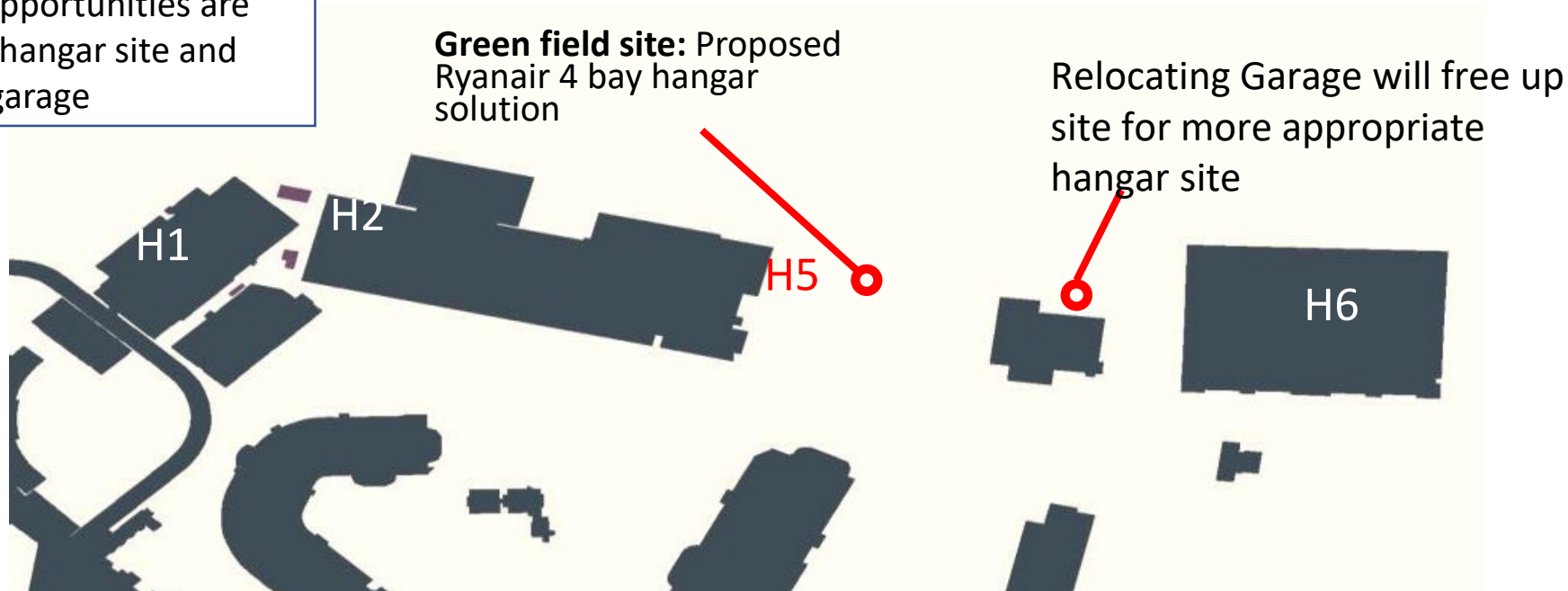
EI & FR - line checks



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Current growth opportunities include new hangar for Ryanair, and two additional bays for DAL

There is currently no vacant hangar bays available, Development opportunities are limited to one greenfield hangar site and the site occupied by the garage

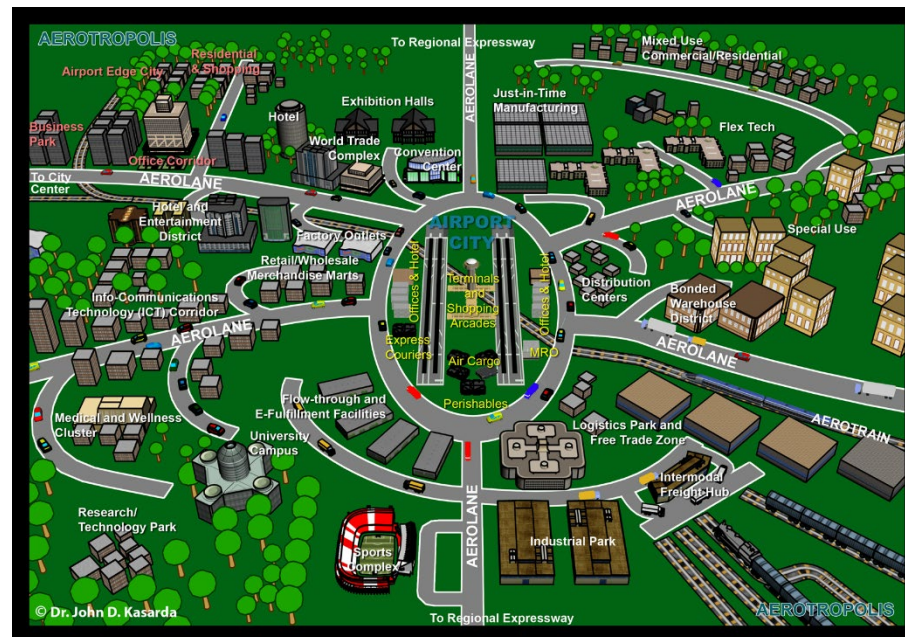


There are three companies who carry out Vehicle repair at the airport, these are M50, Swissport and TCR, there is potential to consolidate all vehicle repair activities in one v building in a less valuable location

Potential to grow North Apron incremental revenue by €500k

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Airport City the definition



- An airport city is the "inside the fence" airport area of a large airport, including the airport and on-airport businesses such as air cargo, logistics, offices, retail, and hotels. The airport city is at the core of the aerotropolis, a new urban form evolving around many major airports

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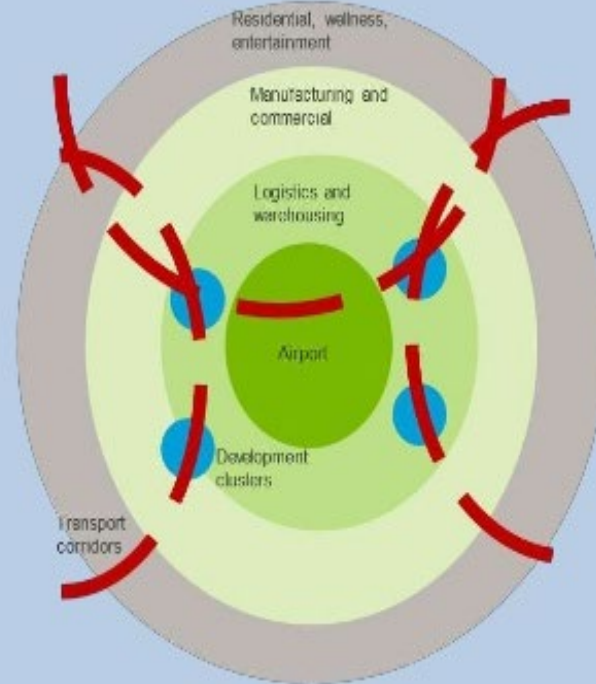
Leading to the growth of Aerotropolis

Airports have become regional economic accelerators:

- Providing accessibility, speed and agility to global supply chains
- Connecting business people to their customers
- Serving commercial needs of millions of air passengers and airport-area visitors annually
- Have become significant employment, shopping, trading and business destinations in their own right

....and as a result of that we are seeing:

- rapid commercial development around many major airports
- airports developing a "brand image" attracting non-airport linked businesses



What are Airport around the world doing?

Commercial Development

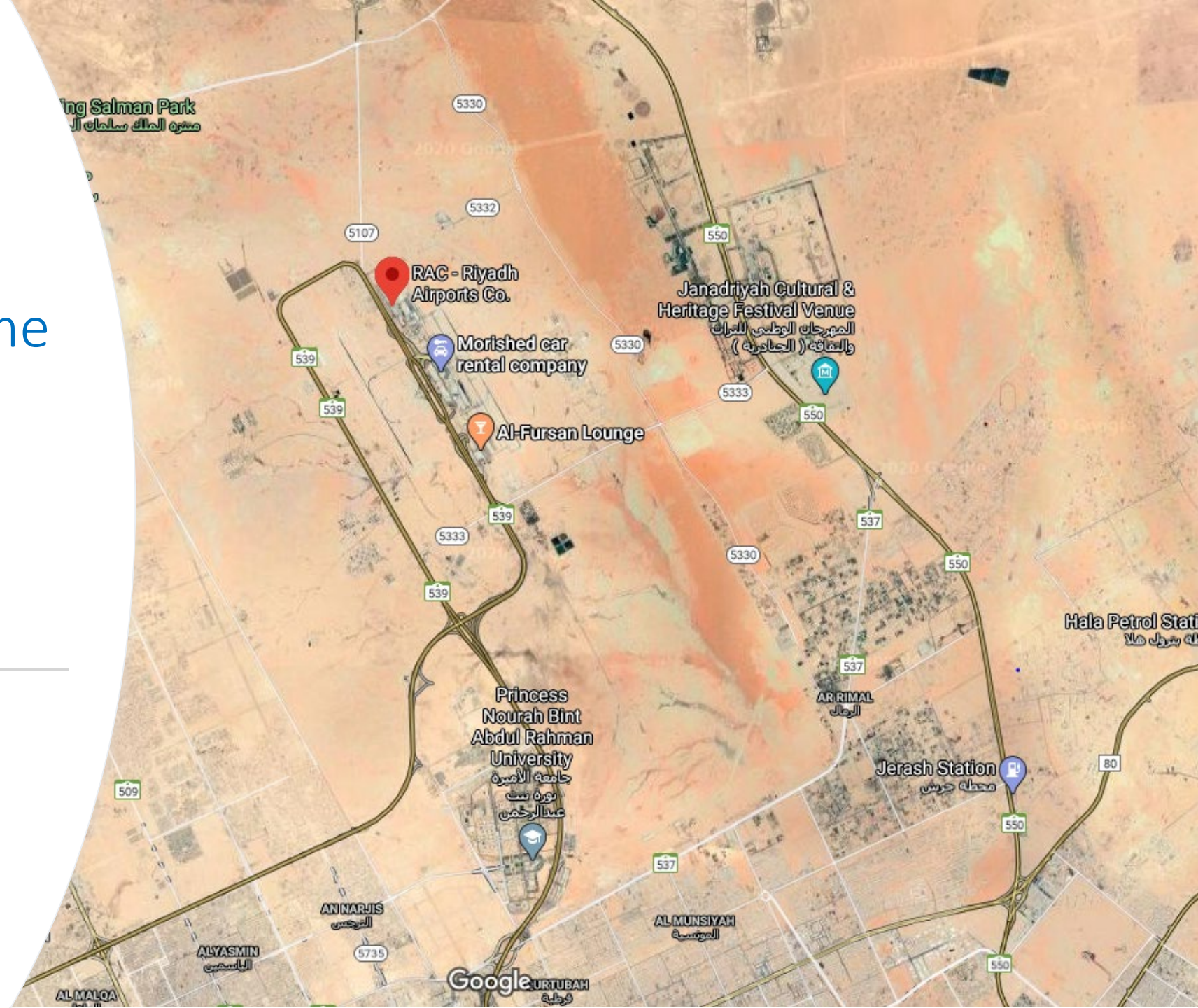


The Squire Frankfurt International Airport

- JV between developer, Frankfurt Airport and German Government
- Direct access to rail, road and air
- Largest office building in Germany
- Retail, 2 Hilton hotels, European h/o KPMG, Lufthansa h/o, training and conference facilities, day-care centre
- 7,000 permanent employees and 3,000 visitors every day.

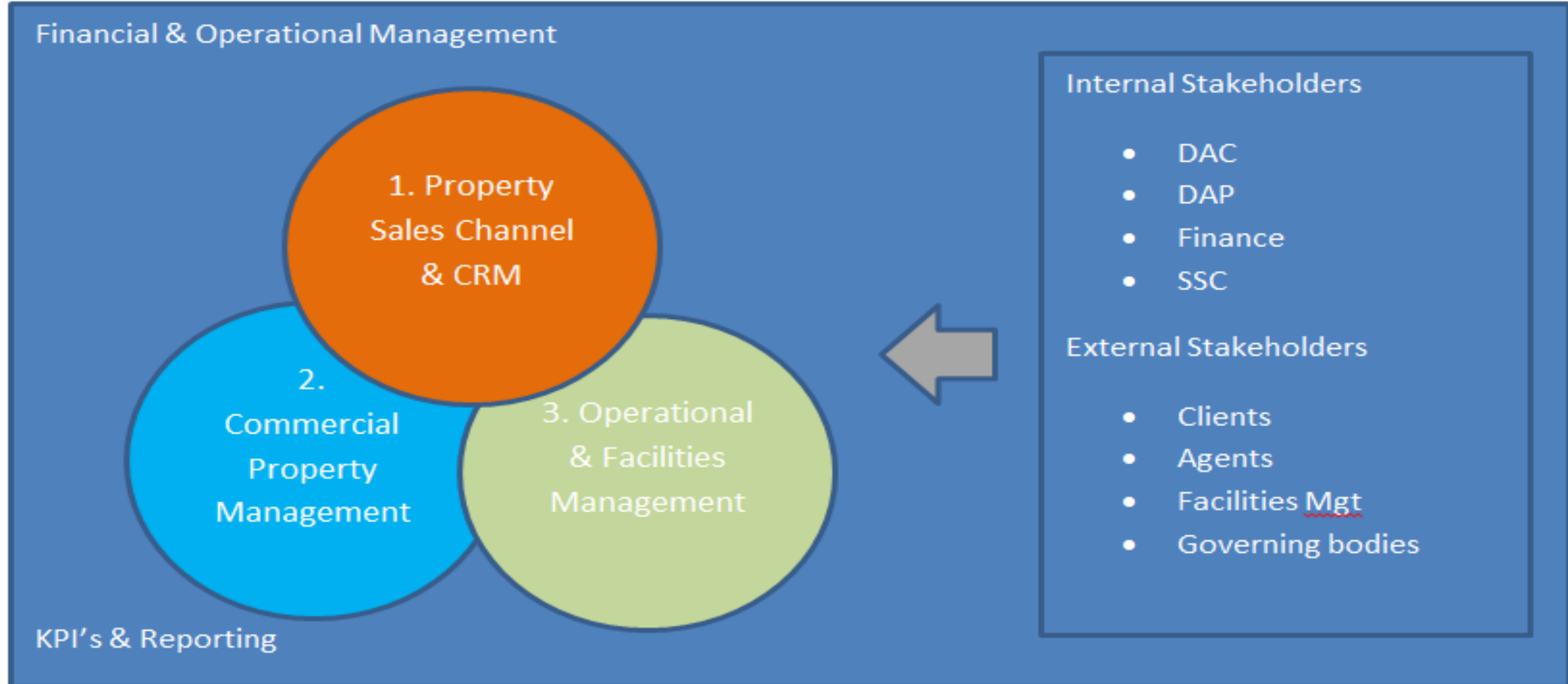
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How do RAC
breakdown the
portfolio?



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There are 3-key requirements for a Property Management which need to be integrated with a variety of stakeholders



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We need a system that can manage the full spectrum of property management and currently Oracle is not satisfactory for this



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What would you do at pre-lease stage?

Pre lease

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Pre lease

Production of Marketing Collateral

Direct Marketing/ Approaching interested tenants

Arranging site tours and meetings

Arrangement and co-ordination of meetings between daa and interest tenants

Acting as a letting agent of behalf of daa

Issuing of heads of terms document including lease agreements

Contract/Terms negotiation

Vetting of tenant including Financials

Signing Lease

Production of Market Research details

Move in process

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What would you do prior to occupation / lease commencement?

Pre Occupation

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Pre Occupation

Preparing space for occupancy

Issuing of Car Parking Permits

Issuing of ID badges

Appointment of an account Manager

Facilitation of area visits before occupation

Schedule of Condition survey pre occupation

Joint area measurement

Preparation of a tenant welcoming pack

FM introduction to tenant

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What activities do you carry out during lease operation

Occupation

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Occupation

- Pursuit and Collection of Rent
- Pursuit and Collection of Service Charge
- Tenant Management
- Liaison with Local Authorities
- Procurement, Management and Supervision of Common area contracts
- Periodic Rent Reviews
- Management of the FM service provider
- Lease renewals/negotiations for existing tenants
- Lease Negotiations
- Lease Extension negotiations
- Lease Termination and Expiry
- Ensuring Contractor Compliance
- Management of third party service providers (FM, Waste, Cleaning)
- Appointment of service providers as requested
- Management of SLA's & KPI's of current service providers

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What activities would you conduct at lease expiry?

Expiry

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Overview of property management

Expiry

Identification of lease term expiry 12 months before expiry date

Formal Written notification to daa plc 6 months before expiry date

Negotiation of commercial terms including Rental Rates, Car park permit charge and periodic rent reviews

Rent free period agreement and negotiation

Lease length, break options and extensions agreement

Guarantor/rent deposit agreement

Assignment/subletting arrangement and associated agreement process

Service Charge negotiation , agreement and renewal

Repair / Minor work arrangement

Clear identification and permitted uses of space/property

Payment of local authority rates

Completion of appropriate surveys and prior to agreement

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Reports & Reporting??

Reporting

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Overview of property management

Reporting

Reporting

Operational cost reporting

Financial reviewing (actual vs budget)

Incident, Accident and issue reporting

Security reporting

Tenant payment reporting (late rent record)

Asset performance reporting, maintenance carried out, next service due reporting

Comparison of Budget/Actual Figures

Finance Report

Fire, Health & Safety Report

Insurance Report

Maintenance Report

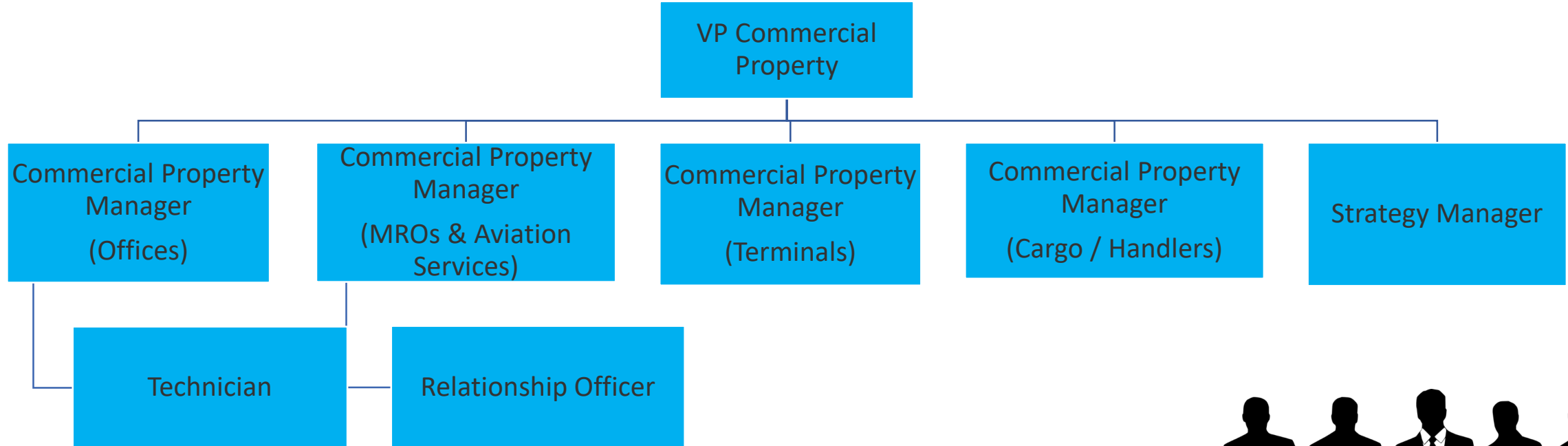
Refurbishment Report

Landscape Report

Tenant Issues / Calls/

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Property Team at Dublin Airport



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We categorise our customers by business streams with reference to our customer's business

Business Stream	Description	Owner
Airline	Defined by Commission for Aviation Regulation	
Cargo	Handling & Forwarding	
Concessions	Retail & Commercial secondary support accommodation	
Fuels	Storage and distribution	
Handling Agent	Defined by Commission for Aviation Regulation	
Lands	Meadowing, grazing, sports clubs etc.	
MRO & Hangars	Aircraft maintenance & repair operators. Also hangars	
State Services	Government bodies essential to operation of airports	
Tourism & Travel	Travel & ticketing agencies, bus/coach/tour operators	
Others	Sundry telecoms, staff organisations etc.	

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We have c.120 customers generating c.€Xm per annum. Key account managers are in place for all our customers across all 3 airports.

Top 10

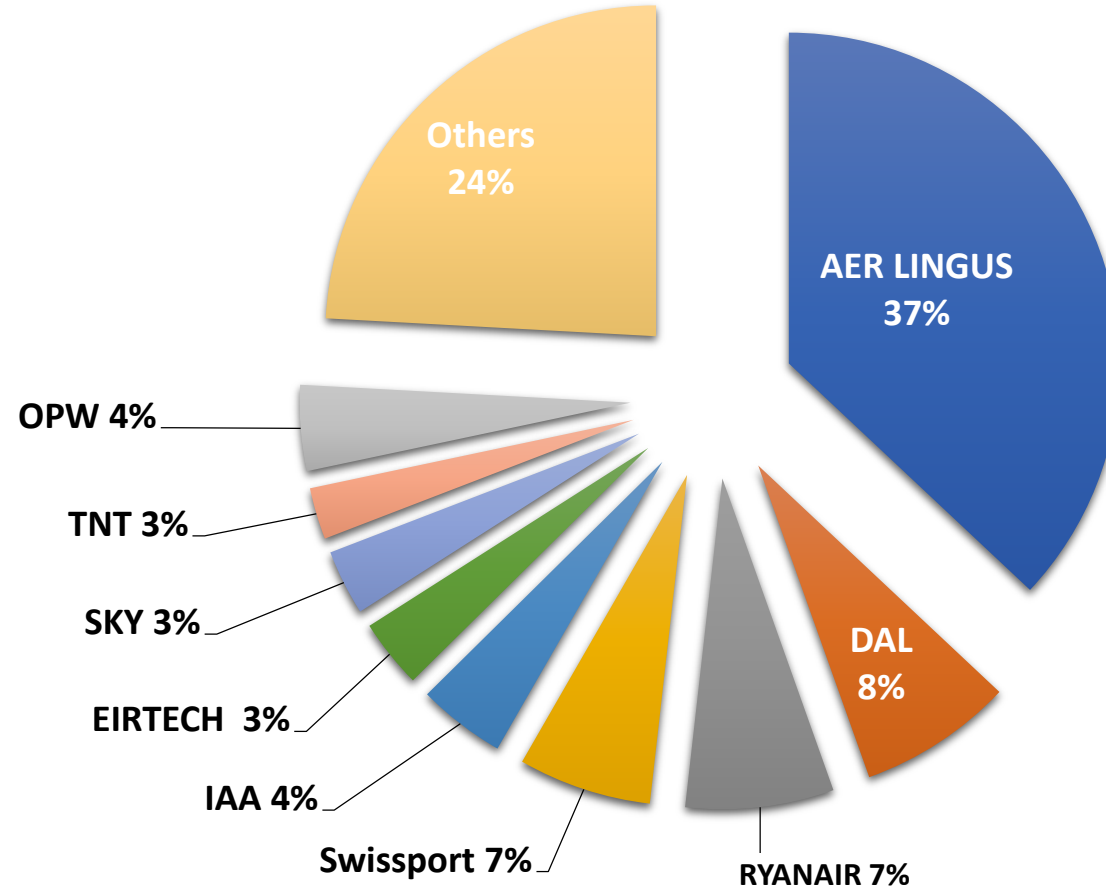
Aer Lingus	€**m	XYZ
Servisair	€**m	XYZ
Ryanair	€**m	XYZ
I.A.A.	€**m	XYZ
O.P.W	€**m	XYZ
Sky Handling	€**m	XYZ
Eirtech Aviation	€**m	XYZ
TNT Express	€**m	XYZ
Dublin Aerospace	€**m	XYZ
Air Atlanta Aero Eng	€**m	XYZ

Top 20

Cityjet	€**m	XYZ
bmi airlines	€**m	XYZ
An Post	€**m	XYZ
Summerhill M50	€**m	XYZ
Aer Arann	€**m	XYZ
Delta Airlines	€**m	XYZ n
Etihad Airways	€**m	XYZ
SSP	€**m	XYZ
US Airways	€**m	XYZ
SR Tech Design	€**m	XYZ

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Nine customers account for 75% of our income.



Commercial Excellence Programme Business Partnering

What is it and Why do we carry out
Business Partnering?

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	What is Business Partnering
What	<ul style="list-style-type: none">• Business Partnering is a process of achieving mutual understanding between DAA and its Customers of each others needs, plans and challenges within their own area of business.• Normally carried out with the assistance of a third party.• Surveys• Customer Conference• Measurement of customer perception• Plan to address items raised• Feed back• The process repeats itself over a set period of time.• In the case of DAA it will occur in six months period over two years.

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	The Why of Business Partnering
Why .	<ul style="list-style-type: none">• It can give an insight and mutual understanding of the partners business, needs, challenges and plans and their view of the standard of service provided.• Gives insight to customers overall experience when dealing with DAA• It can return clarity in respect to expectations and deliverance of service.• It grows the possibility of DAA including or catering for the customer needs in future plans or strategy.• Informs DAA of possible synergies between established and new customers.• It can enhance the relationship between DAA and customers.

Asset Management approach at Dublin Airport (Facilities Management)

- Why have Facilities Management
- Knowing your Asset
- Managing your Asset efficiently
- Value Added Services

Ultimately this should be self financing

Look at RFT / Mobilisation

CBRE models

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Ensure there is a robust Facilities Management solution in place for optimum management of the assets



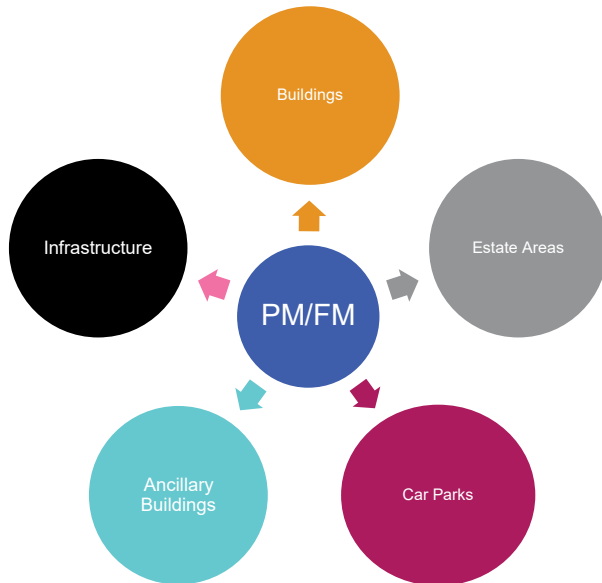
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Our Vision is to develop and grow our business to ensure the long term success of Dublin Airport Central



Property/Facilities Management

Deliver & manage a best in class development while safeguarding future phases



Project Management /Professional Services

Plan & execute special projects that positively contribute to the wider Dublin Airport Central objective



Operations and Processes

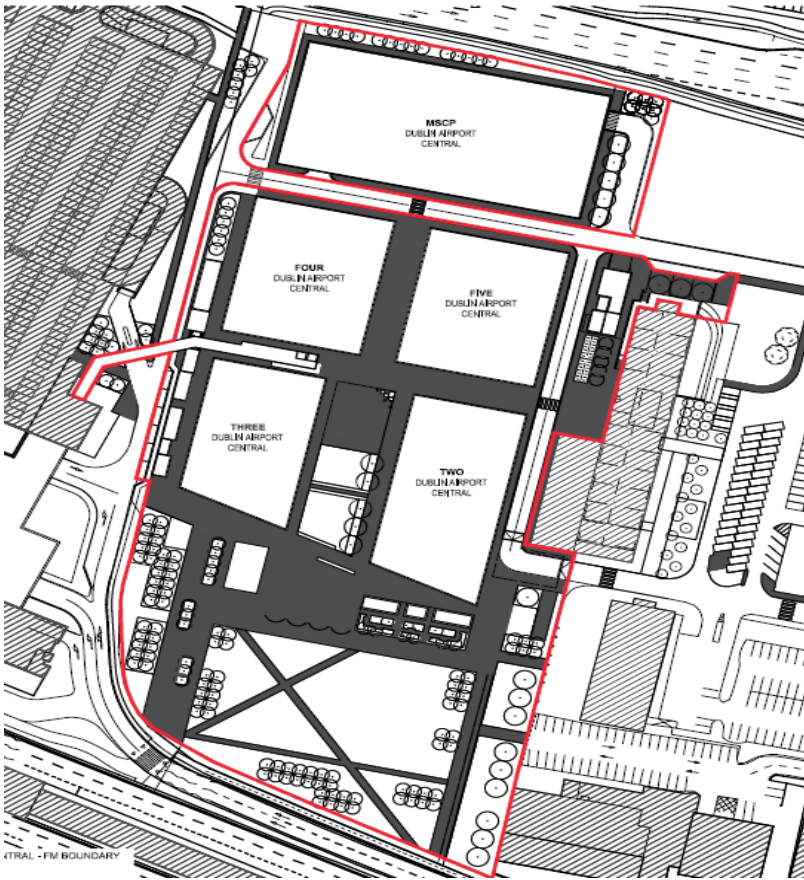
Develop robust operational processes and procedures to ensure business continuity and clarity



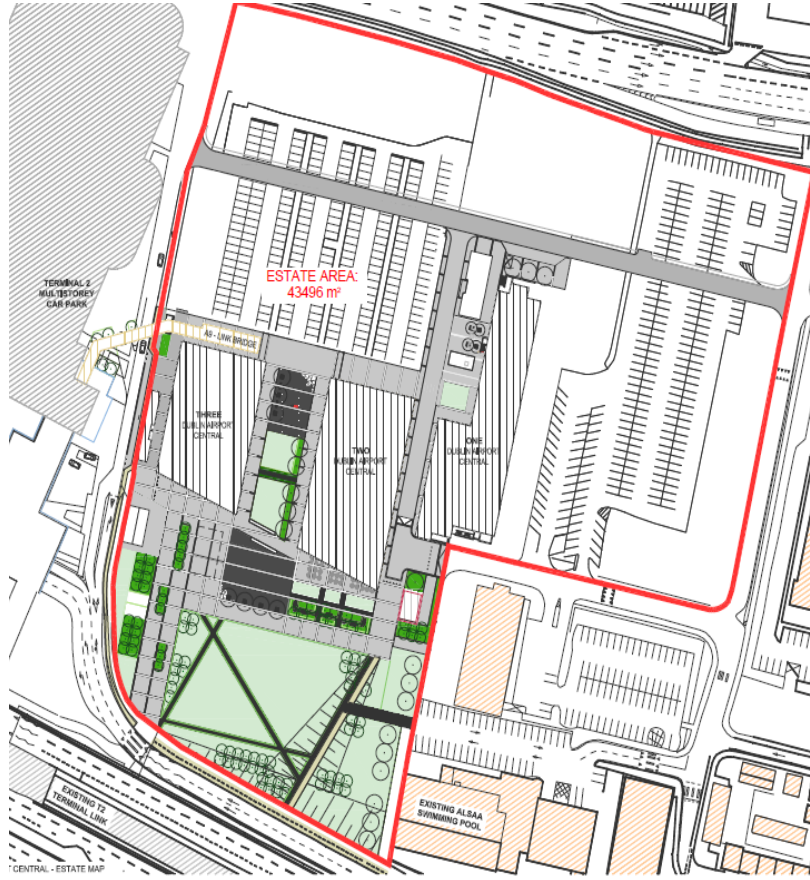
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Assets within the Management Portfolio of Cushman & Wakefield

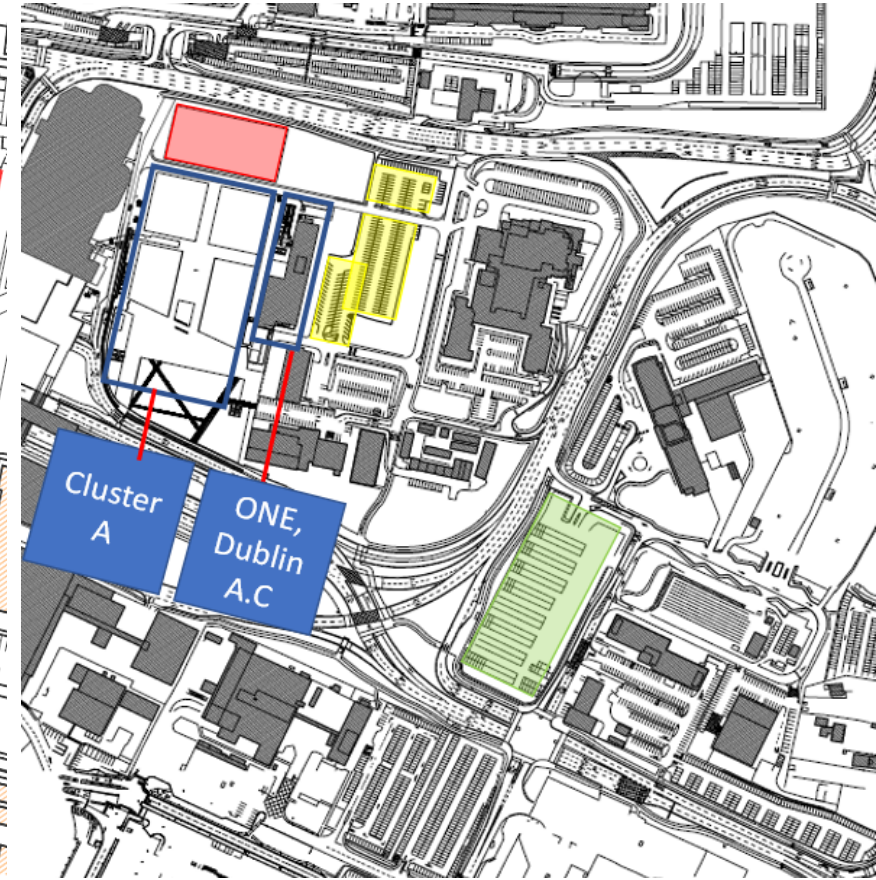
Buildings



Estate Areas

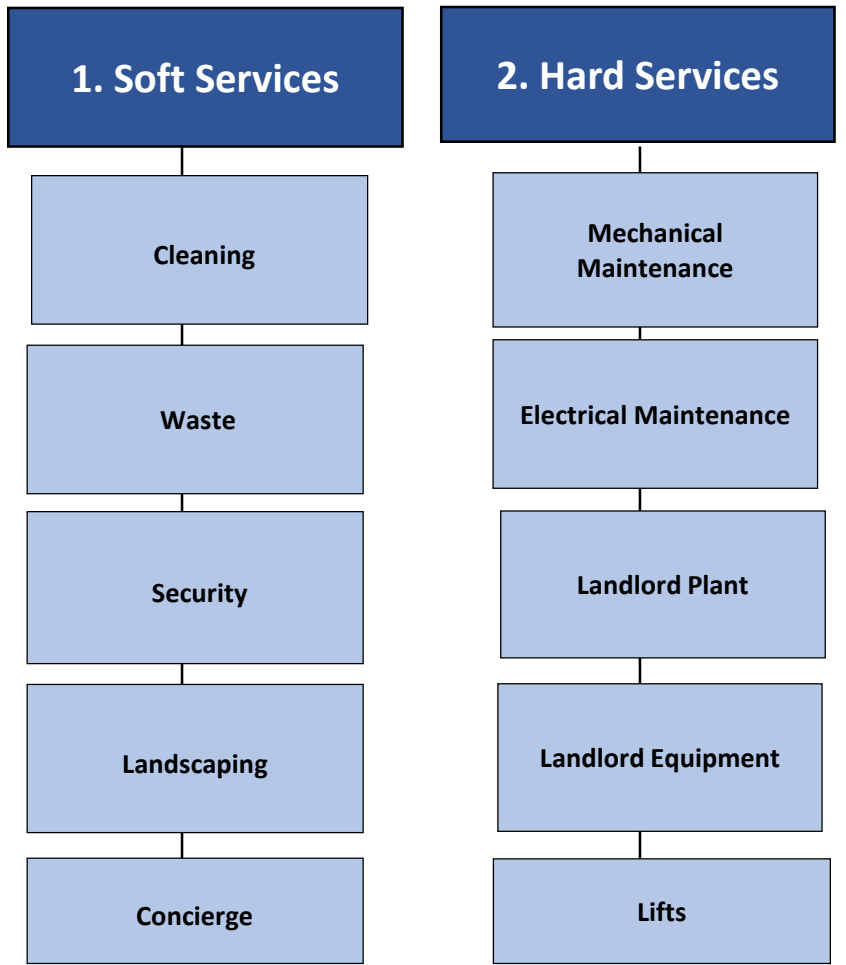


Car Parks

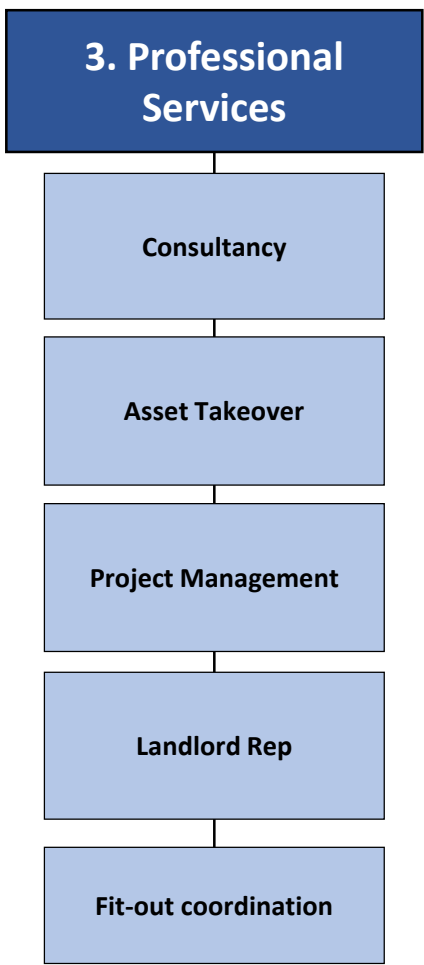


We use an external FM provider which is cost neutral to the business through service charge

Services Re-chargeable to the tenant through service charge

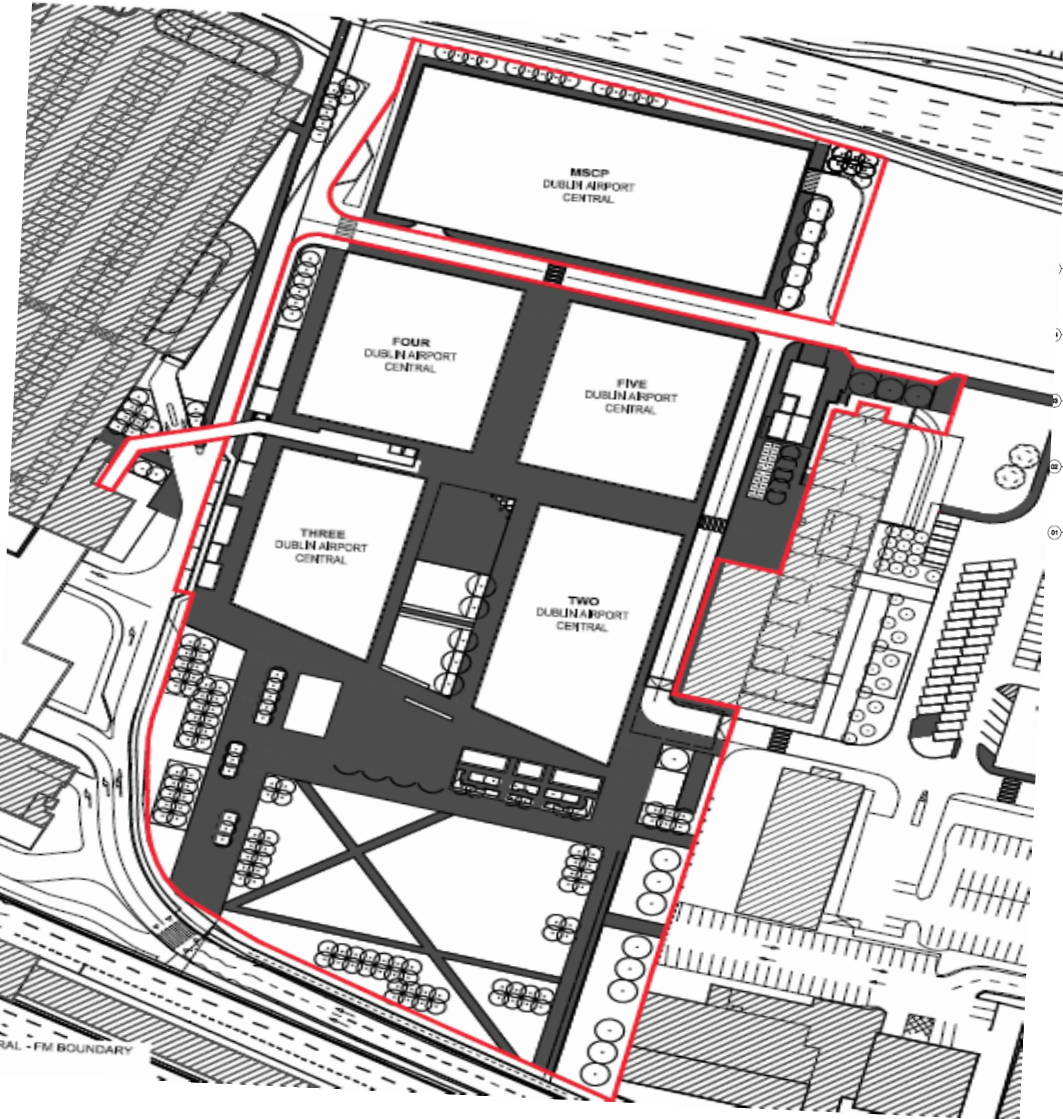


General Services sought – Not recoverable through service charge

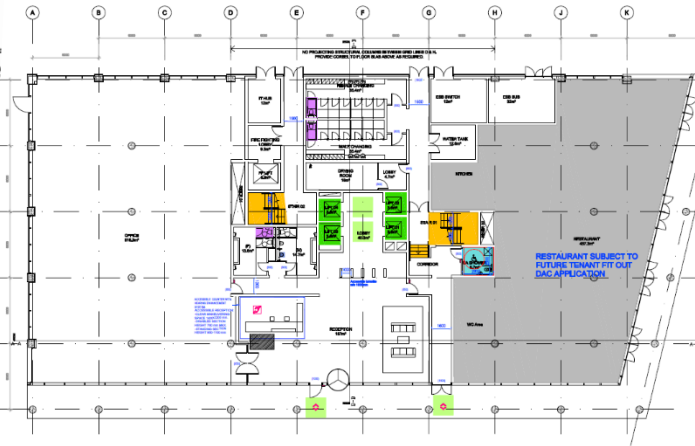


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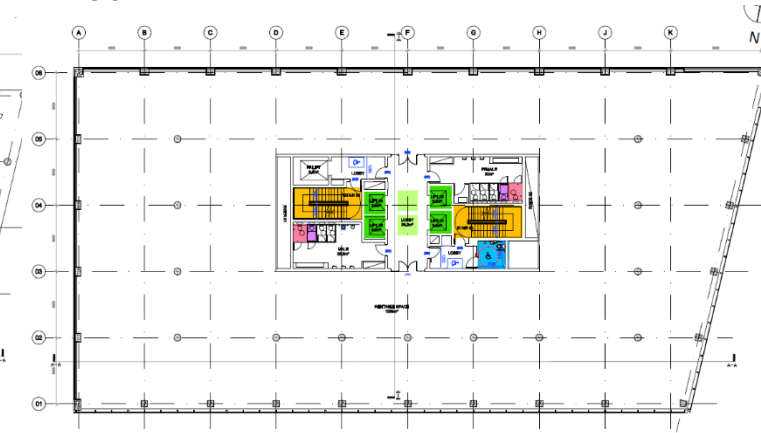
What do building services entail?



Ground Floor Plan

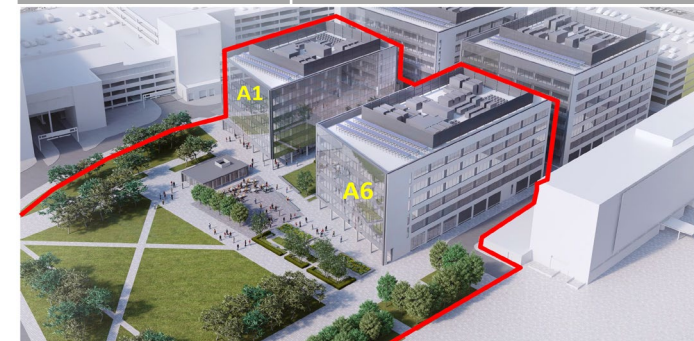


Typical Floor Plan



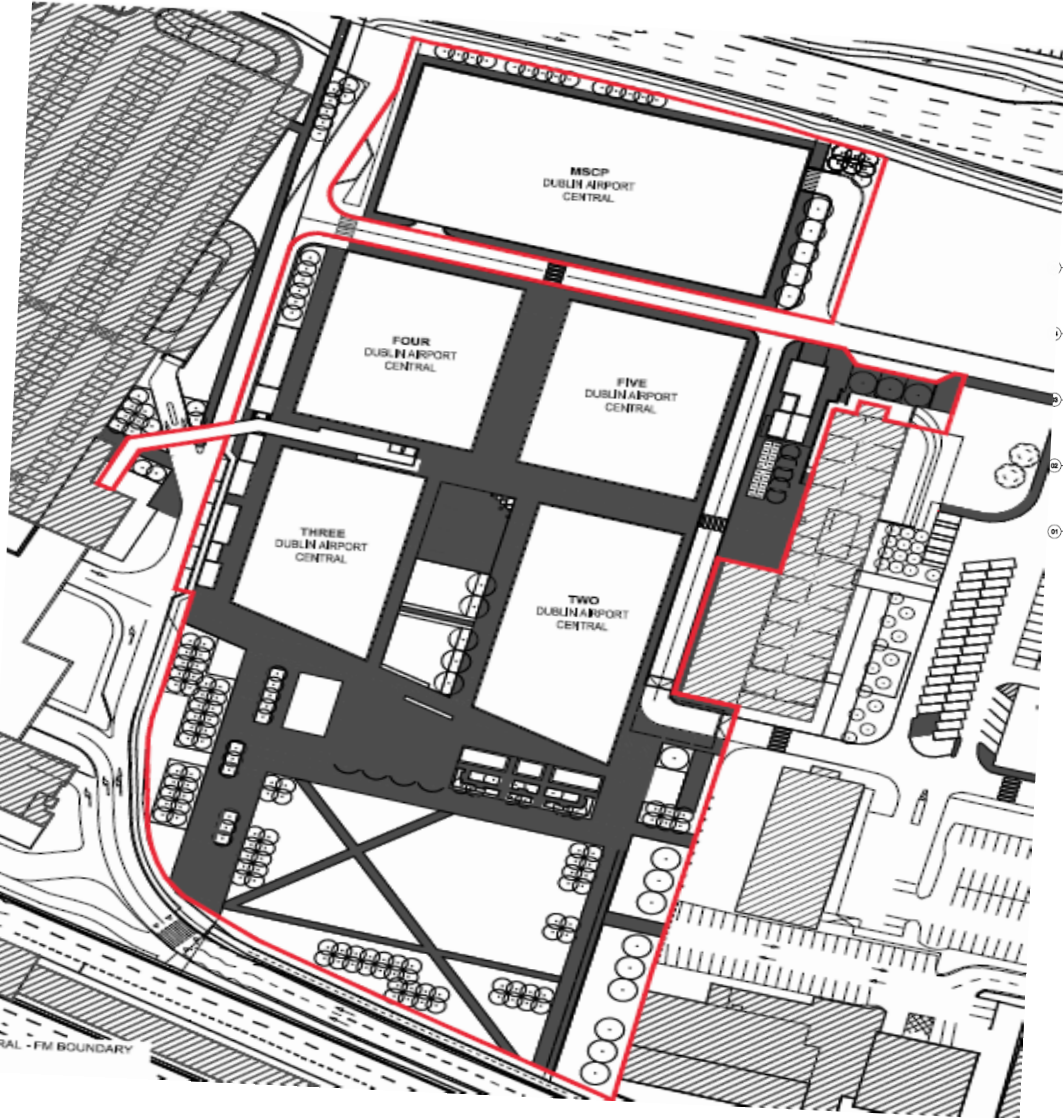
Buildings: Phased Handover Detail

TWO, DAC	August 8 th 2019
THREE, DAC	June 21 st 2019

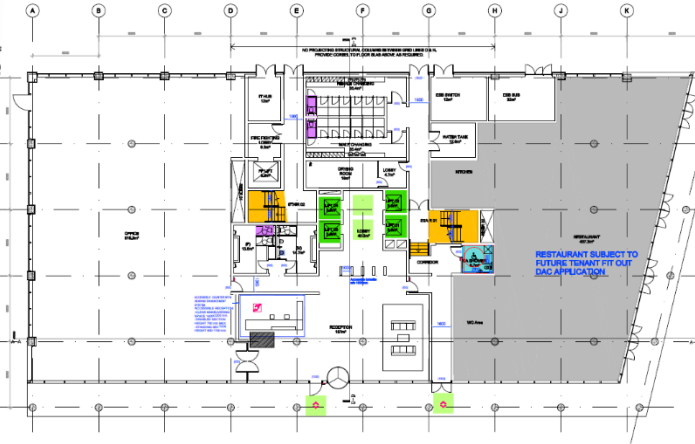


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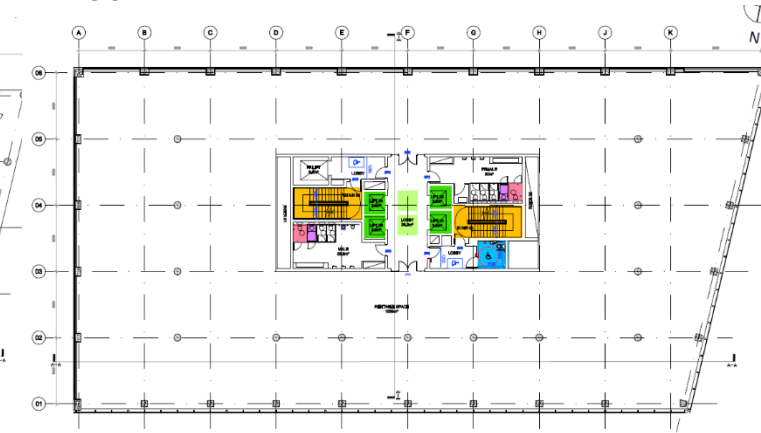
Premises – Services Summary



Ground Floor Plan



Typical Floor Plan

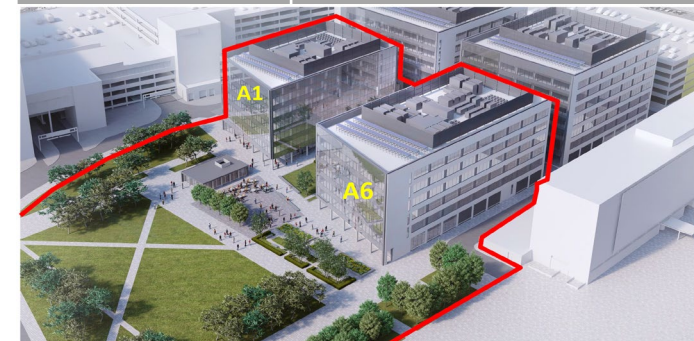


Building Services

- Cleaning Services
- Waste Management Services
- Security Services
- Mechanical & Electrical Maintenance (Hard Services)
- Reactive Services and other Services

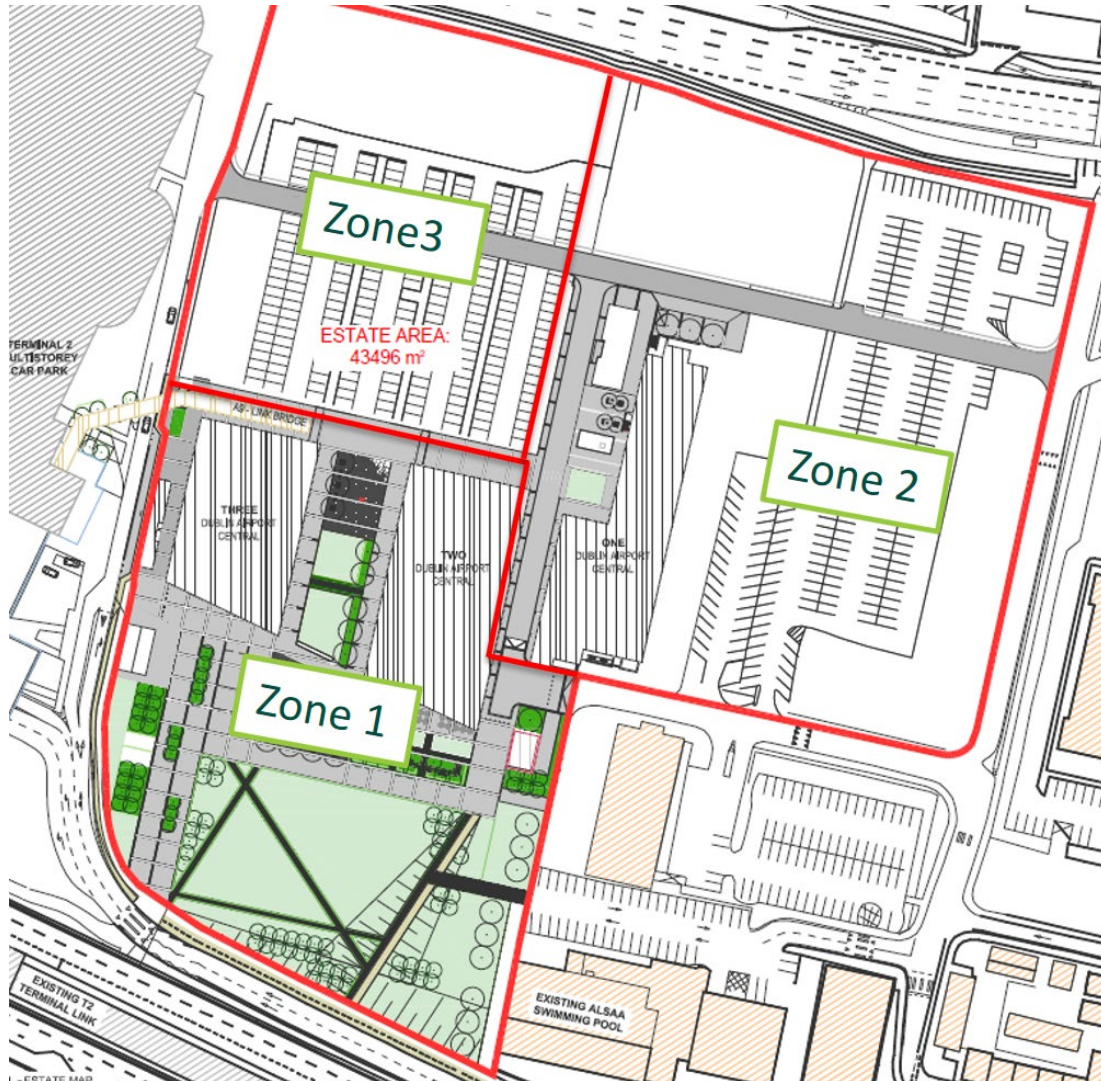
Buildings: Phased Handover Detail

TWO, DAC	August 8th 2019
THREE, DAC	June 21st 2019



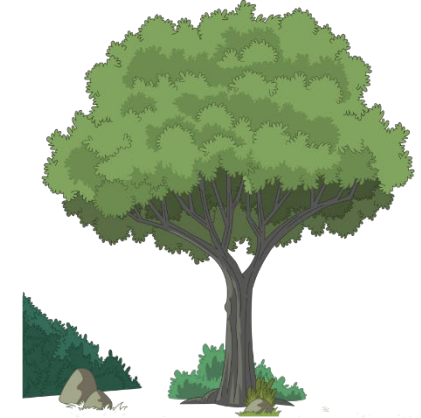
Commercial Excellence Programme

Estate Areas – Phased Handover Timeline



Estate Area: Phased Handover Detail

Total Area	43,496 sqm
Zone	Handover to Cushman & Wakefield
Zone 1	1st April 2019
Zone 2	1st April 2019



Services Required from April 1st 2019 for Zone 1 & 2

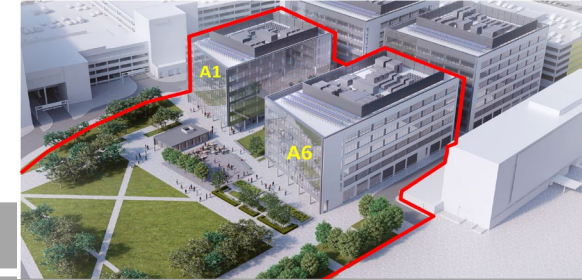
- Cleaning Services
- Waste Management Services
- Security Services
- Mechanical & Electrical Maintenance (Hard Services)
- Reactive Services and other Services
- Gritting, Salting , Trip hazard prevention

Commercial Excellence Programme

Professional Services – Mobilisation

Buildings: Phased Handover Detail

TWO, DAC	August 8 th 2019
THREE, DAC	June 21 st 2019



Professional Services Scope

Ensure the base build Safety Files are verified as complete. That in due course fully verified tenant fit-out Safety Files are received and added to the base build file. That the overall building Safety File is maintained and updated on an ongoing basis

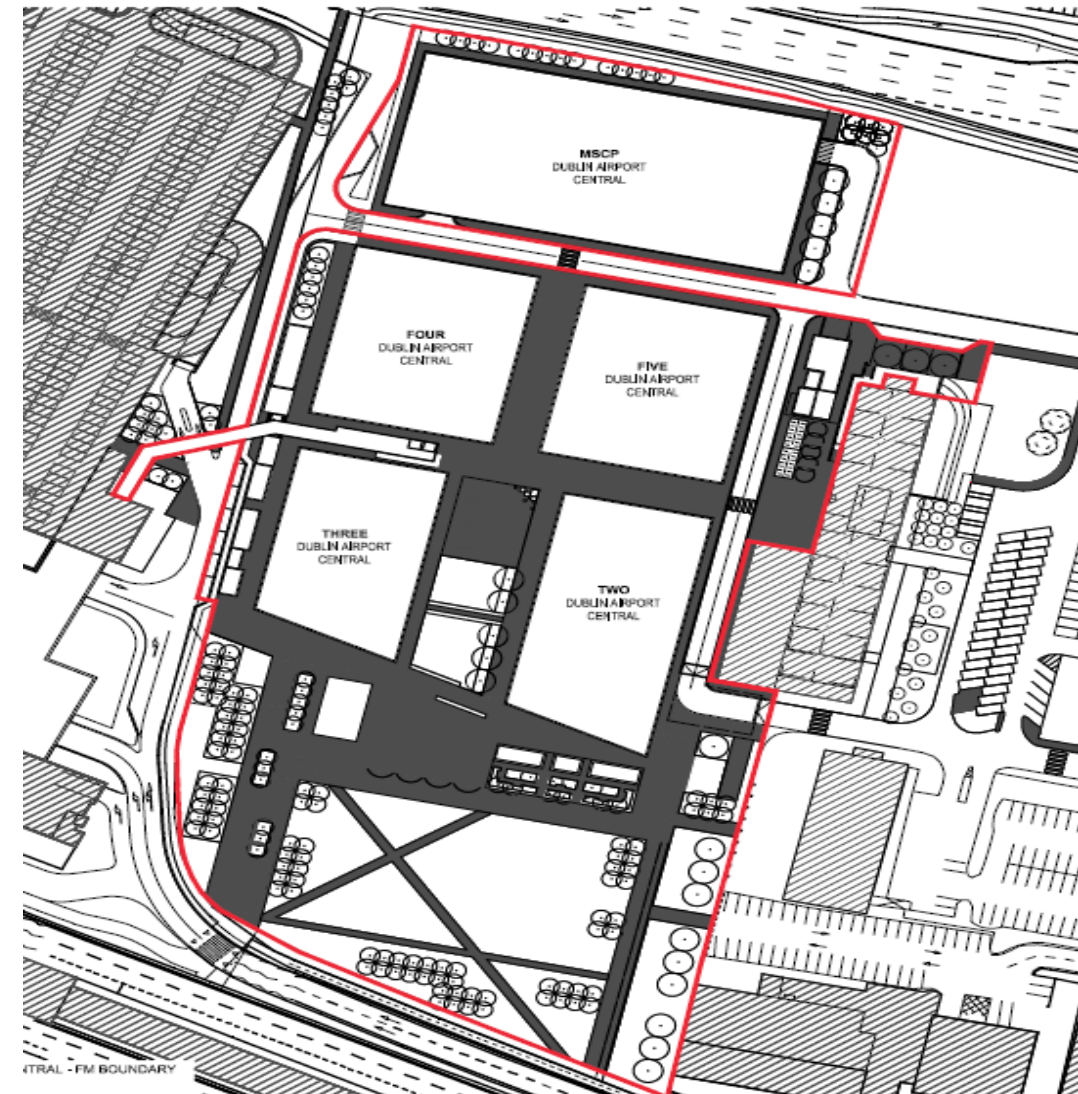
Operation, management and integration of BIM (Building Information Modelling), CMMS and/or GIS systems to co-ordinate the overall property management of the portfolio

Obtain systems and process training from main D&B contractors and their specialist sub-contractors. Witness all systems commissioning and handover

Co-ordination and interfacing with main D&B contractors for snagging and the resolution of building defects as specified in construction contracts

Act as the landlord representative during tenant fit-outs and move-ins. This role will involve managing, co-ordinating and interfacing with the commercial tenants in the multi let premises as each carries out their fit-out works and moves into the premises.

The Project Manager shall undertake pre and post condition surveys to identify any damage / other issues caused by tenant fit-outs



Commercial Excellence Programme

What systems do you use to manage buildings and estate

Process Improvement – Single Source of Information

DAA Commercial Property Property Listing - PLN 2017		daa	
PLN	LICENCE (COMPANY NAME)	AER LINGUS	
	CONTRACT VALUE	€K	
	CONTRACT TERM	1 YEAR	
	LICENCED AREA	T2 CHECK IN, T2 CAR PARK ATRIUM, T2 DEPARTURES	
	IN ACCORDANCE WITH PRICE LIST	Yes	
	TRACKING NUMBER (linked to PLN Tracker URL)	PLN Tracker: 10.2017-10a	
	LICENCE CONTACT & NUMBER	Michael Malton- 087 888 2658	
	SEND LICENCE TO	OLIVER O'DOURKE	
	USER RESPONSIBLE	Oliver O'Dourke	
	LICENCE RENEW / RENEWAL	RENEWAL	
LOCATION CODES / ORACLE REF	DE10-10-55K (1 CAR PARK ATRIUM) DE10-10-55K (12 CHECK IN) DE10-10-55K (12 DEPARTURES)		
PREMISES ADDRESS	AER LINGUS HEAD OFFICE, DUBLIN AIRPORT		
SQMS / RECTURE / LINEAR METRE	29 SQM		
PERMITTED USE	SELF SERVICE KIOSK		
BAC BUNDLED Y/N	N		
RENEWAL TYPE (DEFAULT FOR REV ACCOUNT STREAMLINE)	AIRLINES		
PLN TO BE REWARDED TO SOLUTION FOR ACHIEVEMENT	NO		
LICENCE USAGE TAX CASE 1 OR V	1		
LOCAL AUTHORITY TAX REF	3		
<ul style="list-style-type: none"> BAA RECHARGE @ 17% = 1 LICENSING FEE DIRECTLY TO FINRA = 2 RATES 1/10 LICENSING = 3 			
PLN prepared by	Oliver O'Dourke Property Accounts Officer	Signature	Date
Checked/Reviewed by	Kate Williams Head of Commercial Property Accounts	Signature	Date
Approvals needed if licence income is per approved price list or, if outside approved price list up to €150k licence fee value for the Contract Period			
Approval	Title	Signature	Date
Approvals needed if licence income is outside approved licence fee price list and over €150k licence value for the Contract Period			
Approval	Title	Signature	Date
John Brennan	GM - Commercial		
Ray Gray	Chief Financial Officer		
Kevin Toland	Chief Executive		



Survey Updates

- Capture potential lost revenues & increase space availability - includes updating all property mapping on the Asset Care GIS system and also working with AM&D so there is one source of plans

