

## Government

### Benjamin Cameron Offices - Canberra, ACT, Australia

The challenge - to come up with a viable redevelopment option for 100,000 square metres of net lettable area, comprising two aging building sites in Canberra, whilst maximising the return to the vendor and an acceptable return to the purchasers.

The redevelopment posed several challenges for the Government and Bovis Lend Lease including satisfying the heritage requirements on the Benjamin Cameron offices and complying with the tenant brief for the new Australian Bureau of Statistics building.

To meet the Government's brief, Bovis Lend Lease along with its specialist local partners, developed unique financial structuring arrangements and a comprehensive master plan, which has set a new industry benchmark and in the process returned A\$41 million to the Government guaranteeing the revitalisation of nearly 15 hectares of built environment adjacent to the Belconnen town centre.

As one of the sites identified in the Government's asset disposal program, the sale of the Benjamin Cameron offices was the largest by area, of any single commercial office transaction undertaken by the Commonwealth Government.

The guarantees on selling the assets were a critical element for the Government. Another important project consideration was gauging the appetite for institutional investors for 100,000 square metres of office space in need of upgrading.

In an attempt to make this site more attractive for investors, the Government secured a 15-year lease agreement with the Australian Bureau of Statistics (ABS), who moved into a new 35,000 square metres commercial building constructed at the Cameron offices.

The 15-year lease secured from the ABS guarantees that 1685 jobs will stay in Belconnen. During construction, around 600 people were employed on the project.

Integrating a lease agreement in the sale of the site has proved a savvy move on the

part of the Commonwealth Government. It not only secured a multi-million dollar sale of the aging assets, but also guaranteed the site would provide the ACT Government with a source of rates and taxes.

The site's use after redevelopment was an important consideration for the Government. The impact that a shift in population from this commercial area would have on the Belconnen town centre was undesirable.

Redevelopment of the Benjamin Cameron site as commercial is likely to increase the commercial and residential interest in the Belconnen area.

In addition to the new ABS building, two wings of the Cameron offices were replaced by expanded car parking areas and the redevelopment of the Benjamin offices.

A District Thermal Station which currently provides heating and cooling to Cameron and Benjamin is to be shut down within two years of completion of the deal and Benjamin offices provided with an independent plant and upgraded to comply with existing tenant's lease requirements.

To successfully meet the Government's brief, Bovis Lend Lease identified the need for a quality project team and specialist partners. Interests associated with Graham Potts and Barry Morris, two of Canberra's leading developers, acquired the offices.

Bovis Lend Lease developed an investment proposal for potential investors, identified takeouts and packaged the assets for on-sale to consortium members.

Development Control Plans were reviewed for development opportunities to target potential investors. These included future land use for retail, small commercial and residential purposes.

Creating a design solution for the new ABS building addressing its unique business needs and developing a comprehensive master plan including an acceptable heritage solution was also part of Bovis Lend Lease's project management brief.

With the deal secured, Bovis Lend Lease met the practical challenge of constructing and fitting out the development meeting its target of completing the project 811 days from the date contracts were exchanged.