



國家門戶 首都地標  
Taipei Twin Towers • Gateway to Taiwan



## Taipei Main Station Taipei Twin Towers Development

Authority in Charge: Department of Rapid Transit Systems,  
Taipei City Government

General Consultant: JLL

18 December 2017

# Outline

- I. Development Site Profile
- II. Market Potentials
- III. Project Financial Evaluation
- IV. Tender Qualifications (draft)



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# Development site profile



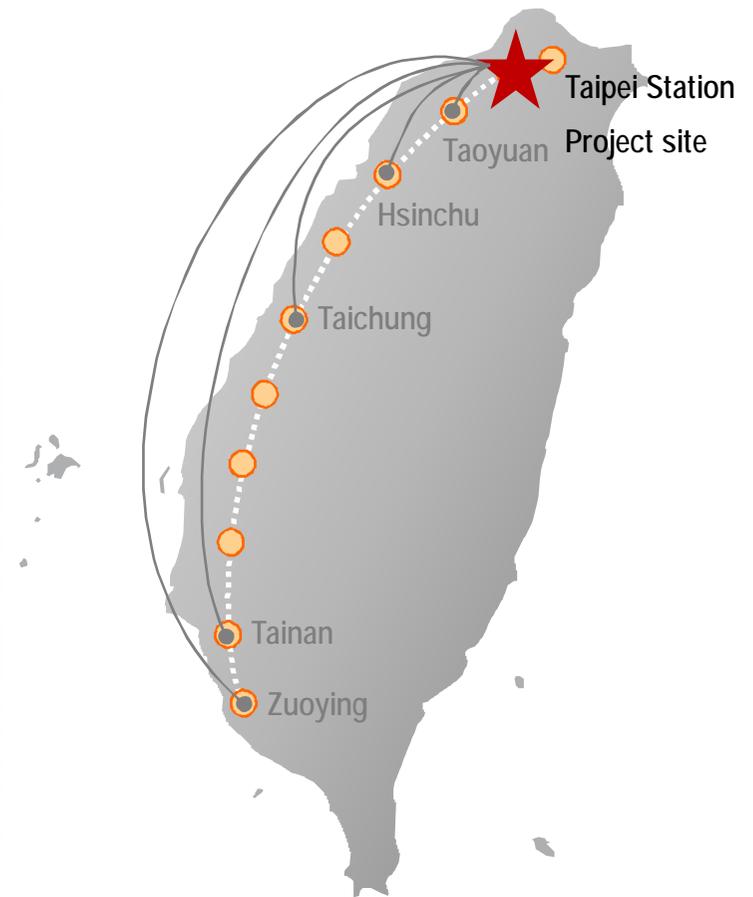
Site profile	C1	D1 (East Veranda)	Total
Site area	13,078m <sup>2</sup>	18,512m <sup>2</sup>	31,590m <sup>2</sup>
Floor area ratio	1150%	1150%	-
Estimated total floor area	203,200m <sup>2</sup>	302,700m <sup>2</sup>	505,900m <sup>2</sup>
Permitted land use	<ul style="list-style-type: none"> <li>Residential use is prohibited.</li> <li>Floor area for retail and catering use shall not be more than 40% of total floor area.</li> </ul>		

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# Daily ridership of over 500,000 commuters

- **Transport hub**

well-connected with major cities regionally and globally



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# West District Gateway Project giving significant impetus to the developments in the neighborhood



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D1

C1

Old site of Taipei City Council

與外觀構件保存作業，並完成基地簡易綠美化，未來將透過「設定地上權」方式辦理開發，期引進民間開發創意與動能，結合都市計畫促進地區經濟發展，提升公有土地開發效益。

Smart station

Taipei Travel Plaza / Bus shelter

Urban regeneration project of Taipei Post Office

該再方基地將推動「國家創新創意中心」，作為新創人才培育與實驗中心及創意能量加速基地。

三井倉庫

北門街招

C1/D1 Project

Beimen Plaza

機場捷運聯合開發(臺北雙子星)其效益為提升國際形象、塑造國家首都門戶意象、提供連結國際機場與臺北市中心區快速、準點、安全的捷運交通、提昇城市競爭力、繁榮地區發展。

忠孝橋引道拆除及路型調整

北門周邊光環境

西區門戶 2017 空照圖

# Original building design program

Total buildable floor area: 505,900m<sup>2</sup> (including parking space)



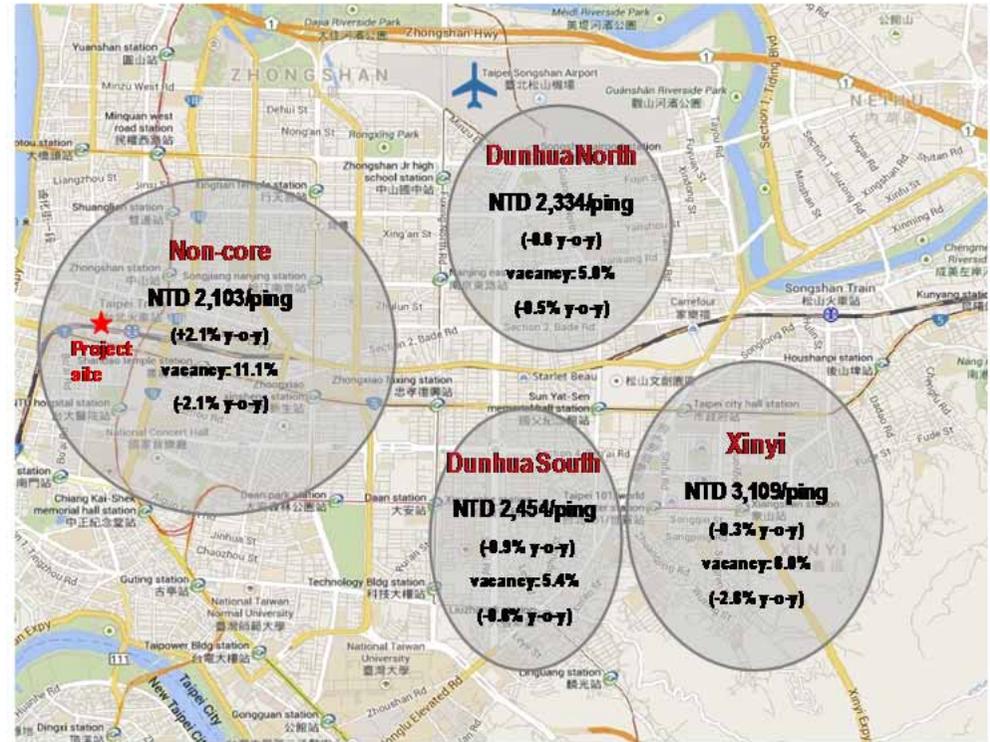
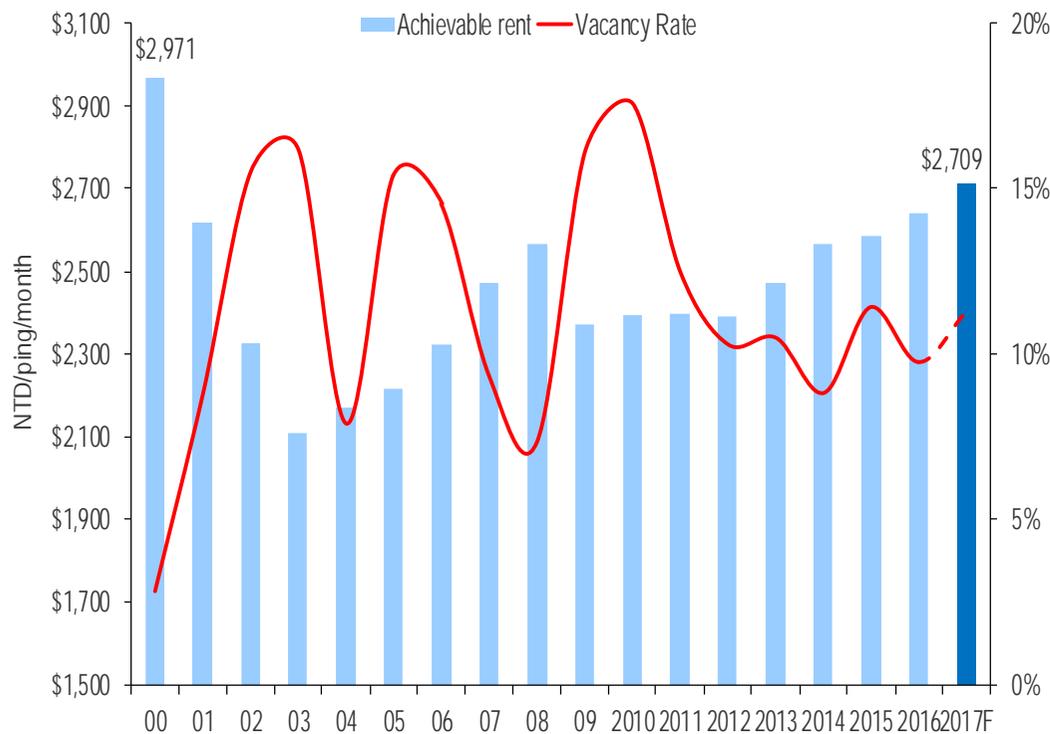
Note: Abovementioned figures are based on current building design and for reference only.

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## II. MARKET POTENTIALS



# Taipei grade A office market continues to grow steadily

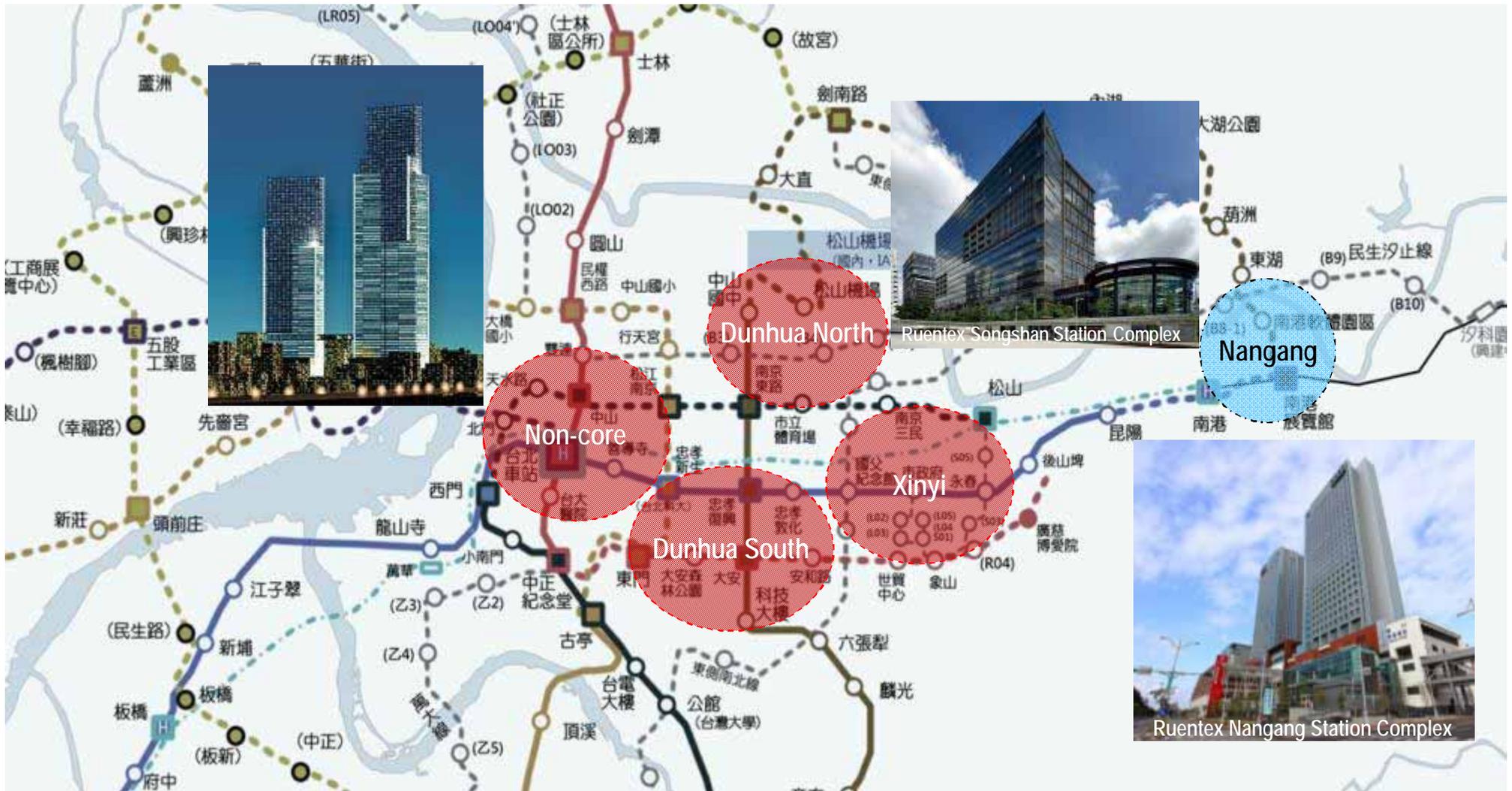


Note: Non-core business district covers Taipei grand A office market outside Dunhua North, Dunhua South and Xinyi district.

Source: JLL Q2/2017

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# Premium location for multi-national businesses



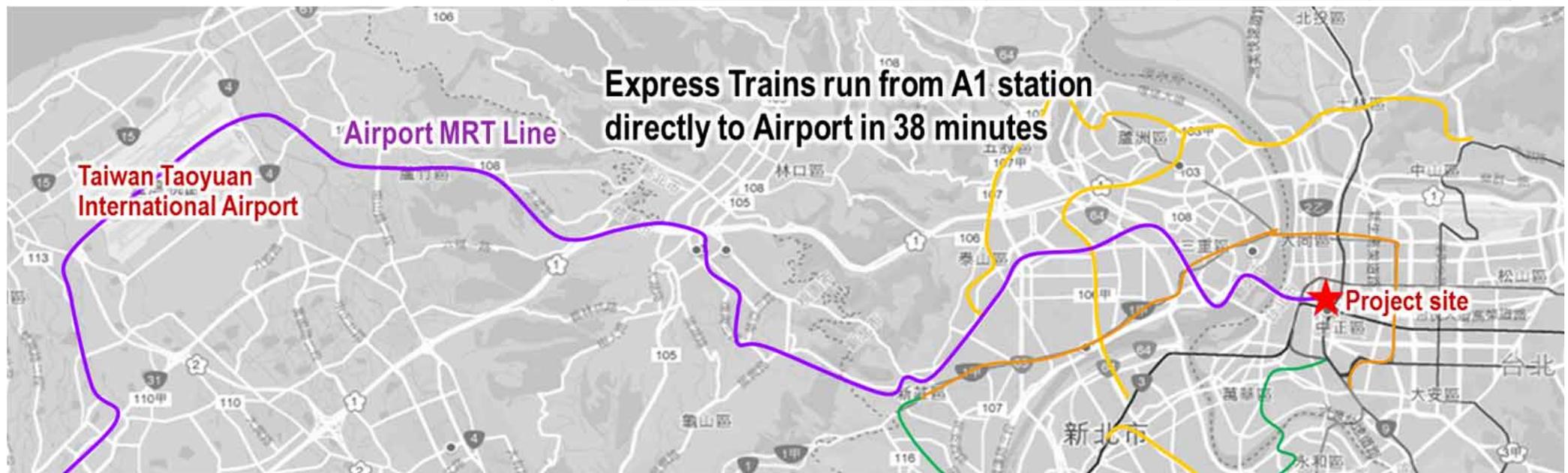
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# Hotels near the station made outstanding performance

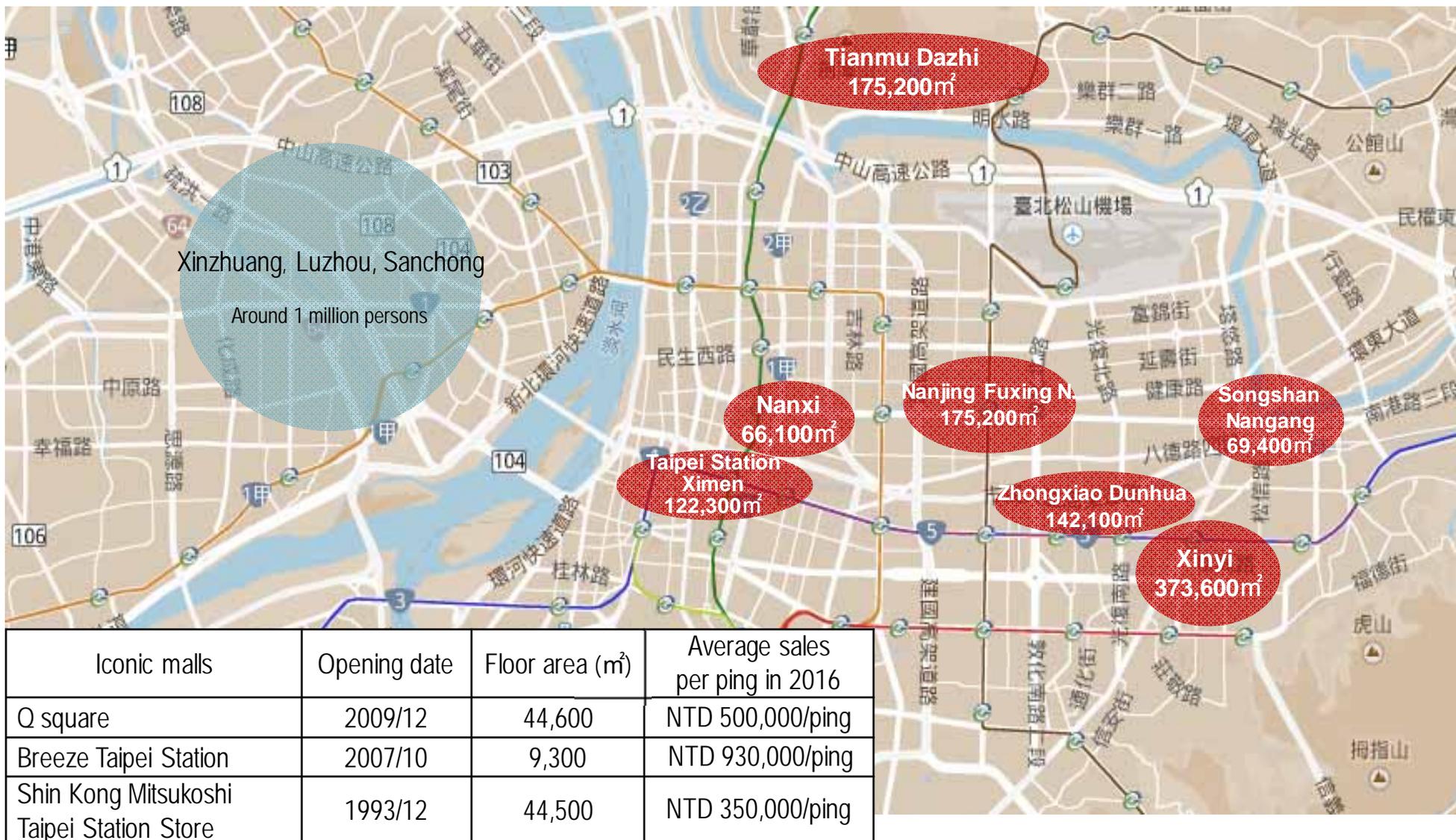
- The number of visitors to Taiwan reached a record high of **10.69 million** in 2016
- Tourist hotels in Taipei presented an average occupancy rate of **70%** while **more than 80%** for those near the Main Station

Source: Tourism Bureau, MOTC

Iconic tourists hotels	Jan-Sep 2017		
	Room price (TWD/room/night)	Occupancy rate	Rooms
Palais De Chine Hotel Taipei	4,666	78.87%	286
Caesar Park Taipei	3,594	<b>85.43%</b>	478
Cosmos Hotel Taipei	3,189	<b>93.63%</b>	225
Le Meridien Taipei Hotel	8,415	80.19%	160
W Taipei	8,410	76.05%	405



# Station-adjoined malls shaping a modern shopping model



Source: JLL April 2017

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# IFC, Central HK



IFC II  
205,000m<sup>2</sup>

IFC I  
82,600m<sup>2</sup>

Four Seasons  
Place 519 rooms

Four Seasons  
Hotel 399 rooms

IFC Mall  
76,000m<sup>2</sup>

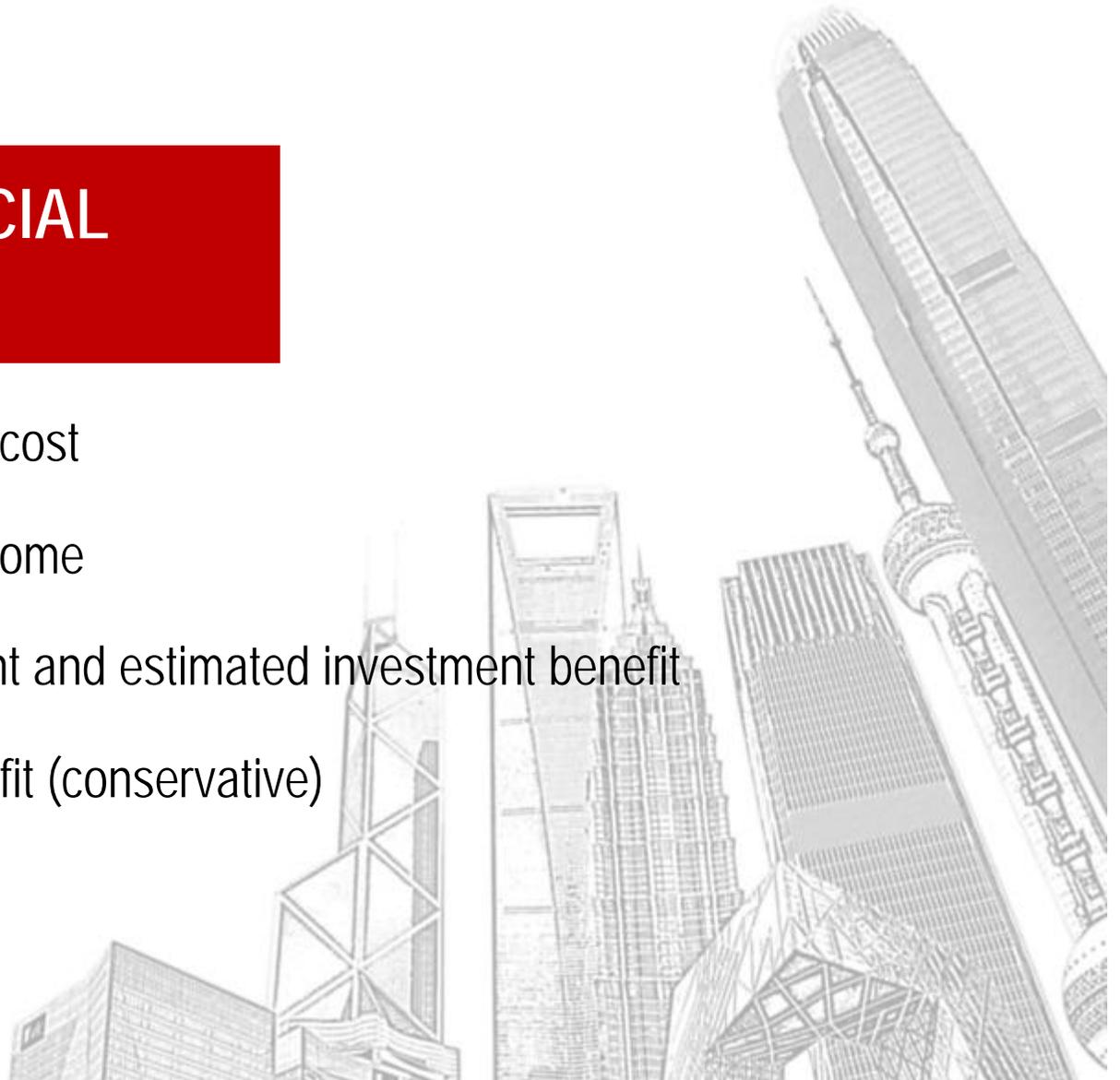
Hong Kong Airport Express Station

# Project positioning – Gateway to Taiwan



### III. PROJECT FINANCIAL EVALUATION

- ❑ Estimated development cost
- ❑ Estimated rental and income
- ❑ Rights/interests allotment and estimated investment benefit
- ❑ Investor's financial benefit (conservative)



# Estimated total development cost

- Estimated total development cost: around NT\$58 bn
- Investor's actual cost excluding the construction cost paid by Taipei City Government: around NT\$43.7 bn

Unit: NTD

Item	C1	D1	Total
Estimated total floor area	203,200 m <sup>2</sup>	203,200 m <sup>2</sup>	505,900 m <sup>2</sup>
Estimated total development cost	22 bn	36 bn	58 bn
Estimated construction cost paid by Taipei City Government	3.3 bn	11 bn	14.3 bn
Estimated investor's actual cost	18.7 bn	25 bn	43.7 bn

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# Estimated rental and income

Unit: NTD

Item	C1	D1
2F and above: Rental (NTD/Ping/month)	2,200 ~ 2,850	2,200 ~ 3,100
Rental yield	3%	3%
2F and above: Average sales price per ping	1.01 million	1.03 million
Total sales amount	Around 154 bn	

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# Rights/interests allotment and estimated investment benefit

Unit: NTD billion

Item	C1	D1	Total
Total development value of rights	62	92	154
The value of rights from bulk reward acquired by Department of Rapid Transit Systems, Taipei City Government	9.4	28	37.4
Total value of rights to be allotted between landowners and investor	52.6	64	116.6
Estimated investor's actual cost (excluding construction cost paid by Taipei City Government)	18.7	25	43.7
The value of rights acquired by investor (excluding construction cost paid by Taipei City Government)	23.4	31.2	54.6
Landowners rights/interests allotment	55%	50%	-
Floor area acquired by investor (including parking space)	76,000 m <sup>2</sup>	102,500 m <sup>2</sup>	178,500 m <sup>2</sup>

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# Investor's financial benefit (conservative)

Item	C1+D1
Estimated rental	NT\$2,200~3,100/ping/month
Expected office occupancy rate <sup>(note 1)</sup>	Initial phase: 65% After 10 years: 95%
Operation cost	Maintenance, land tax, house tax, leaseback rental <sup>(note 2)</sup> , etc.
Project IRR	6% ~8%
Equity IRR (around 40% financing)	10% ~ 12%

Note 1: Hotel and retail are estimated as operated under leasing contract.

Note 2: Leaseback rental is estimated by 2% of sales price. Leaseback floor area is around 297,500m<sup>2</sup>.

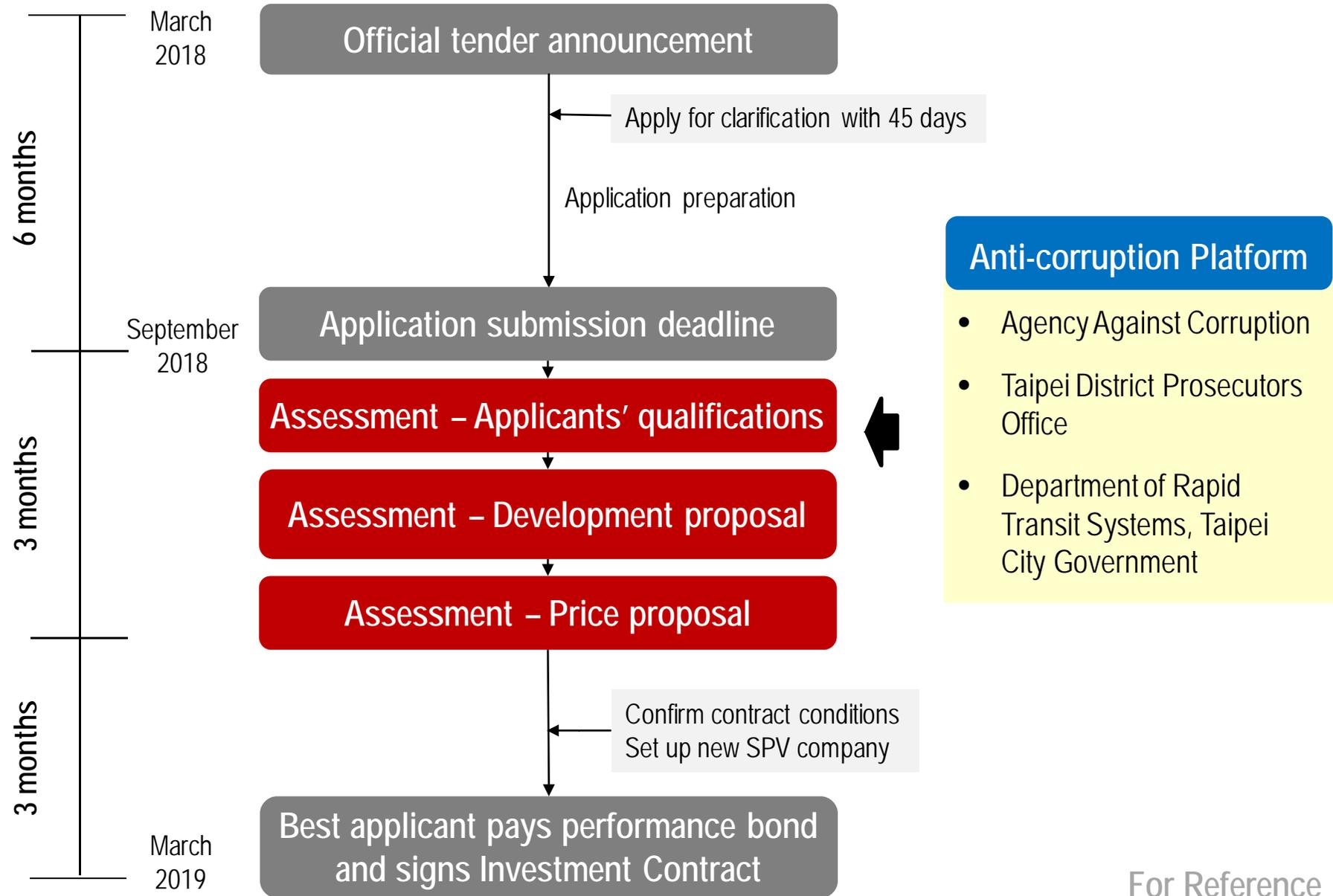
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## IV. TENDER QUALIFICATIONS (DRAFT)

- ❑ Applicants' qualification
- ❑ Selection procedure
- ❑ Performance conditions



# Selection procedure



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# Applicants' qualification

- Parcel C1 and Parcel D1 (east veranda) are to **be developed together**
- **The letter of intent for partnership from C1 landowner(s)** shall be submitted together with investment application, which may be filed by **maximum 5** Taiwanese or foreign corporations
- Legal entity that has formed partnership with C1 landowner, shall not be member of other applicant at the same time
- Applicants' general qualifications
  - Taiwanese company established under ROC laws and regulations
  - Foreign company established branch office or representative office under ROC laws and regulations
  - Mainland Chinese investment shall meet relevant ROC laws and regulations, and acquire investment permission from Investment Commission, MOEA

# Development capability qualifications

- At least one legal entity among the investment applicants shall have development achievement(s) which is (are) similar to this project within recent 10 years
  - Single achievement in an amount of not less than NT\$10 billion or accumulated achievements in an amount of not less than NT\$30 billion
- Capability qualifications
  - Similar achievements including office, hotel, shopping mall and residential and commercial mixed building
  - Achievements done by legal entities stated in the application and companies that 100% owned by aforementioned entities only
  - Project that has been sold will be assessed based on Income Statement (income); while that hasn't been sold will be assessed based on Balance Sheet (cost)
  - Insurance company may provide investment-grade property as development achievement

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# Financial capability qualifications

- Accumulated net value of each legal entity within recent year (2017) shall not be less than **NT\$16 billion**
- Each legal entity among the investment applicants shall have the financial capability meeting the requirements, based on 2017 financial reports/documents
  - Current assets shall be not less than current liabilities
  - Total amount of liabilities shall be not more than 3 times of net value
  - Quick ratio shall be not less than 10%
  - Insurance company shall be assessed by **capital adequacy ratio** in accordance with Insurance Act, but not subject to the requirements for liabilities stated above
  - No record of dishonored check and poor credit

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# Development proposal

- To become a qualified applicant shall receive at least **80 points**

Assessment criteria	Major items to be assessed	Score <i>(to be confirmed)</i>
I. Experience and achievements	<ul style="list-style-type: none"> <li>■ Applicants' experience, goodwill, financial capability and performance ability</li> </ul>	25
II. Design and construction plan	<ul style="list-style-type: none"> <li>■ Landmark architectural design concept</li> <li>■ Development concept of Green Building (silver level and above), Smart Building, and sustainability</li> <li>■ Construction budget report , description of material specifications and equipment system</li> <li>■ Development schedule, construction management and quality plan</li> <li>■ Parking management plan (including MRT transfer parking management and financial planning)</li> <li>■ Traffic maintenance plan for construction/operation period</li> <li>■ Plan for connection with MRT system facilities</li> </ul>	30
III. Operation and management plan	<ul style="list-style-type: none"> <li>■ Expected operating items, mode of operation and operational management plan</li> <li>■ Team-working conditions, capability and relevant experience</li> <li>■ Market analysis, merchant management plan, marketing and promotion plan</li> </ul>	15
IV. Financial plan	<ul style="list-style-type: none"> <li>■ Fund-raising plan and cash flow analysis</li> <li>■ Rights/interests allotment analysis</li> </ul>	15
V. Contribution to urban development	<ul style="list-style-type: none"> <li>■ Positive impacts to the developments in the neighborhood and public welfare, etc.</li> </ul>	10
VI. Presentation and QA		5

# Price proposal

Assessment criteria	Landowners' minimum rights/interests allotment ratio		Leaseback rental
	C1	D1	Monthly rental for the 1 <sup>st</sup> year
Government estimate	55%	50%	Rental estimate
Score	<ul style="list-style-type: none"> <li>Starting at 75 points</li> <li>Get additional 1 point for every 1% added</li> </ul>		<ul style="list-style-type: none"> <li>Starting at 75 points</li> <li>Get additional 1 point for every NT\$50 added to the monthly rental estimate</li> </ul>
Weight	35%	35%	30%

- Applicant having the highest score in price proposal becomes the best applicant

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# Application bond & performance bond

- Application bond: NT\$ **537 million**
- Performance bond: 3% of investor's estimated investment volume, to be paid before signing the Investment Contract
- Payment methods
  - Cash
  - Promissory note or check issued by financial institution
  - Pledged time deposit certificate of financial institution
  - Bank's letter of guarantee
  - Insurance policy under which the insurer shares the liability with the tenderer jointly and severally

# Leaseback and consolidated operation

- Investor shall lease the space acquired by landowners and operate and manage the development buildings on a consolidated basis
- Leasing period
  - Contract term: **9.5 years**
  - Investor can apply for renewing the contract 1 year before the contract expires, for another **9.5 years**



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# Other principles

- Selection of floor area acquired by landowner(s)
  - Government agency: starting either from the ground floor or top floor, and on a continuous basis
  - Individual landowner: targeting at office floor(s) on a continuous basis (under negotiation)
- No pre-sale allowed before acquiring the building use permit
- Investor shall share the joint station construction cost of NT\$ 7.2 billion which may be paid in the one of the manners below:
  - Pay in a lump sum
  - Or pay in instalments with interest added to the account as it accrues
  - The construction cost of floor area from bulk reward acquired by Department of Rapid Transit Systems, Taipei City Government is paid in instalments by the Government

# Entering into contract

- The investor shall set up a new SPV company to sign the contract with Taipei City Government, and conduct trust.
- The investor shall hold a minimum percentage of company shares for each stage as stated below:

The SPV company newly established	Before building warranty period expires	Operation contract ends
100%	>60%	>30%

Note1 : According to the Investment Contract (draft), the warranty period of the project building is 5 years.

Note2 : According to the Operation Contract (draft), the contract period is 9.5 years.

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臺北市政府捷運工程局

Department of Rapid Transit Systems  
Taipei City Government



仲量聯行

# Thank you

- Taipei City Government  
Anti-corruption Hotline: 1999 #1743  
(outside Taipei City, please dial 02-27208889 #1743)
- Agency Against Corruption  
Anti-corruption Hotline: 0800-286-586
- JLL  
Ethics Helpline: +1-877-540-5066  
(global 24-hr services with all languages)

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