

# Conceptual Construction Group

Advancing the Hines Standard for investors and clients around the world

Hines

DEVON ENERGY HQ – OKLAHOMA CITY



A photograph of three people standing in front of a large window with a view of a city skyline. On the left is a woman with curly blonde hair wearing a purple dress and a necklace. In the center is an older man with glasses wearing a dark suit and a patterned tie. On the right is a man wearing a blue blazer over a light-colored striped shirt. A semi-transparent dark box is overlaid on the lower half of the image, containing white text.

“Over 50 years ago, my father envisioned a group of experts who would apply the lessons learned in pre-development and pre-construction to all future Hines’ projects. That depth of knowledge makes the Conceptual Construction Group a unique asset for our clients and investors – and second to none in our industry.”

– Jeffrey C. Hines, Chairman and Co-CEO



# We champion a culture of continuous improvement in every project around the world.

Our Conceptual Construction Group (CCG) is a collaborative team of industry experts recognized worldwide for incorporating best-in-class practices to minimize risk and deliver buildings which set new standards of quality, innovation, sustainability and long-term value.



## HINES CCG 2022 GLOBAL PRESENCE

**NORTH AMERICA**  
USA; Canada;  
Mexico

**CENTRAL AMERICA**  
Panama


**SOUTH AMERICA**  
Brazil

**EUROPE**  
United Kingdom;  
Spain; France;  
Italy; Germany;  
The Netherlands;  
Greece

**EURASIA**  
India; Poland;

**ASIA PACIFIC**  
Japan; China;  
South Korea;  
Singapore;  
Australia





“Our team serves as a central resource to Hines’ clients around the globe, providing a consistent link to the firm’s best practices. We continuously investigate, test and share ways to minimize risk and deliver exceptional quality throughout the building lifecycle.”

– Andy Trowbridge, Executive Vice President, Conceptual Construction Group



# We tailor our teams for your success.

Our CCG is unmatched in the industry, and provides you with unique access to the collective intelligence and hands-on expertise of tenured professionals who bring the highest standards of efficiency, risk mitigation and creativity to their projects.

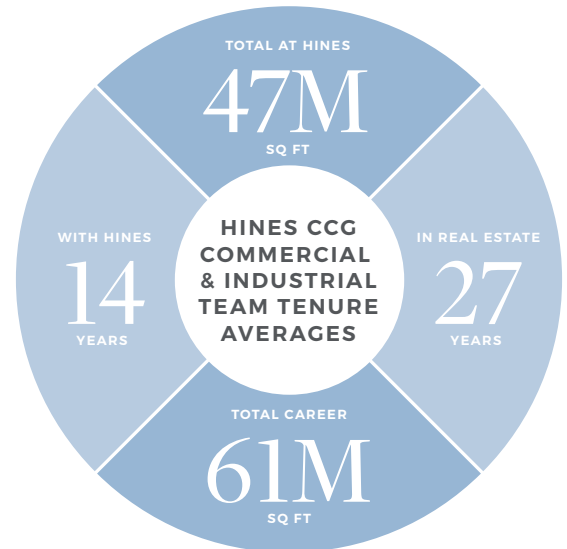
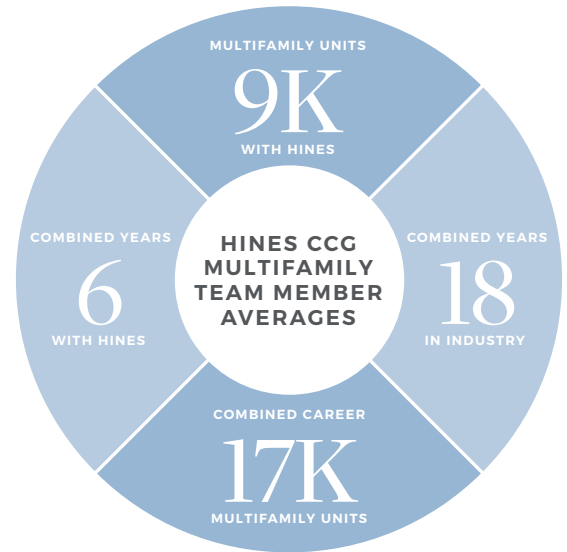
## OUR DEDICATED TEAMS WORK SIDE BY SIDE WITH YOURS.

**Design Managers** with a track record for building high-performance design teams, collaborating with them on distinctive architecture, and encouraging innovation and creativity while keeping schedules and budgets in line.

**Electrical and Mechanical Engineering Experts** with in-depth knowledge of the systems used in today's complex developments.

**Construction/Estimating Experts** with unrivaled experience in constructability, cost, logistics, budget control, purchasing and value engineering.

**Ground Plane Specialists** with deep focus on enhancing the guest/tenant experiences – from on-site arrival to interactions with public amenity spaces.



As of 02.2022

## ADDRESSING CHALLENGES IN A VARIETY OF PRODUCT TYPES AROUND THE WORLD



COMMERCIAL  
OFFICES



MULTIFAMILY  
RESIDENCES



INDUSTRIAL/  
LOGISTICS FACILITIES



SPORTS  
STADIUMS



DATA  
CENTERS



SENIOR  
LIVING



CONCERT  
HALLS



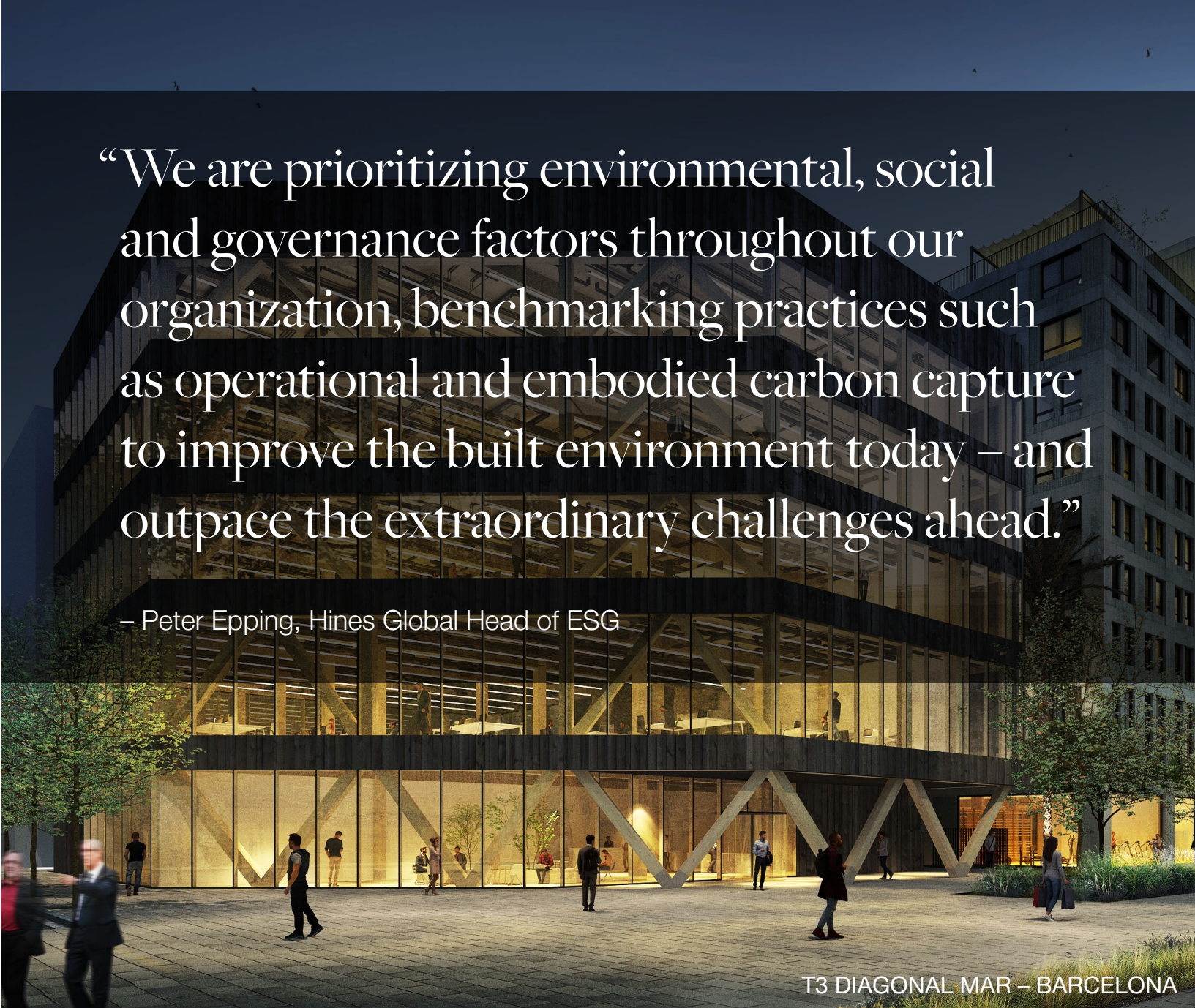
HOSPITALITY  
VENUES



STUDENT  
HOUSING



RETAIL  
MALL



“We are prioritizing environmental, social and governance factors throughout our organization, benchmarking practices such as operational and embodied carbon capture to improve the built environment today – and outpace the extraordinary challenges ahead.”

– Peter Epping, Hines Global Head of ESG

T3 DIAGONAL MAR – BARCELONA

## ESG LEADERSHIP IN THE BUILT ENVIRONMENT

With a 65-year focus on building efficiencies, Hines continues to set and advance both national and global standards for sustainability – and integrate evolving ESG processes – to provide positive solutions and long-term value for people, properties and our planet. An essential part of this leadership effort, CCG actively pursues new building and operating strategies, collaborating with major manufacturers to test and improve materials’ performance.

## INNOVATION NEVER STOPS. NEITHER DO WE.

CCG works in lockstep with Hines’ Office of Innovation to explore, evaluate, test and implement new technologies that improve the quality of the built environment while protecting the one we all share.



# Our process, your outcomes.

Our CCG was born from Gerald D. Hines' vision of creating institutional-quality buildings through a risk-managed process that consistently delivers high-quality development on time and on budget.

Tested and proven over decades, the Hines process continues to produce buildings that are as efficient, vital and profitable today as the day they were built.



# Our process.

## FEASIBILITY

# 1



### Benchmark the Competition

With Hines' local teams providing boots-on-the-ground intelligence, CCG comes to each project with an in-depth understanding of the market and its competitive properties. This helps CCG drive design decisions while balancing our clients' needs and objectives.

#### HOW WE APPROACH THE COMPETITION

- Define the competitive submarket as well as key competitor properties to ensure long-term value and market position
- Identify significant quality advantages over competing buildings in each market to help avoid costly overdesign
- Stay flexible and adaptable to market changes that may impact value and/or risk
- Pre-establish competitive marketing and leasing selling points

## FEASIBILITY

# 2



### Select the Right Design Team

CCG leverages our global relationships to match the appropriate architects, engineers and consultants to each project. This typically includes a design architect for creative inspiration and a production architect to coordinate all technical elements. Complete and coordinated working drawings help minimize costs and ensure quality.

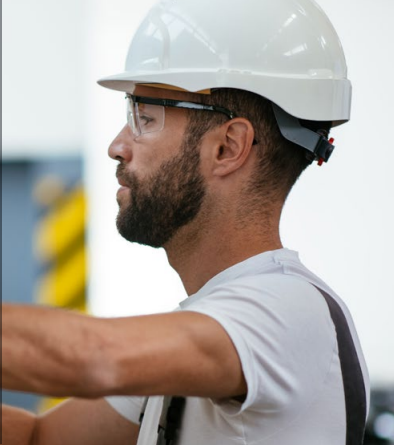
#### HOW WE HELP SIMPLIFY COMPLEX RELATIONSHIPS

- Manage creative conflicts between architects, engineers and consultants to bring greater visibility to the design process and yield imaginative yet buildable and affordable projects
- Apply disciplined management and our tiered contract structure to provide a single point of responsibility and streamline coordination
- Mitigate ownership risks by using Hines proven, proprietary contracts



## FEASIBILITY

# 3



### Analyze Fundamental Building Systems

Working in partnership with our clients, CCG applies best-in-class practices to ensure all building systems – structural, electrical, HVAC, plumbing, elevators, architectural systems, life safety, façade, BMS and security – will provide exceptional livability and long-term viability for each individual project.

#### HOW WE ALIGN WITH OUR CLIENTS' NEEDS AT EVERY LEVEL

- Evaluate proposed systems against client-established criteria such as initial cost, operating/lifecycle cost, constructability, marketability and schedule
- Integrate operational input from property and facility management personnel for every project design and major system analysis
- Leverage operations feedback and lessons learned from prior projects to improve each new design
- Incorporate an owner's perspective into the design with a focus on energy efficiency and long-term value

## FEASIBILITY

# 4



### Provide Precise Budgets and Schedules

Once decisions regarding fundamental building systems are in hand, CCG budget experts get down to the business of preparing detailed budgets and schedules – with a sharp pencil aimed at minimizing redesign, decreasing delays and reducing costs while keeping client priorities top of mind.

#### HOW WE DELIVER ON TIME AND ON BUDGET

- Establish highly reliable budgets and schedules from the onset of each project
- Save time and money by reducing the need for time-consuming value-engineering process
- Minimize delays and shorten the design schedule by adhering to agreed-upon criteria



# Our process.

## DESIGN

# 5



### Coordinate Design and Construction Details

To maximize efficiency and minimize errors or omissions prior to purchase, CCG – together with project design and construction teams – closely examines and tests every drawing and design detail against the established criteria and budget. We also de-risk any new technologies being considered for the project.

#### HOW WE REDUCE COSTLY RISKS AND DELAYS

- Lower construction pricing by using highly coordinated plans and specifications
- Avoid field construction surprises with detailed advance “clash” coordination
- Reduce change orders to 3% or less versus the typical industry average of 7%
- Minimize the risk of innovation prior to purchase
- Assess and meet regulatory guidelines with sustainability certifications from LEED®, WELL™, Fitwel® and/or others selling points

## PRE-CONSTRUCTION

# 6



### Secure Cost-Efficient Contracts

Hines uses our proprietary construction contracting approach to place as much risk as is reasonable on the general contractor (GC). At the appropriate time, CCG procures competitive bids from GCs with the goal of securing the best pricing of fees and overhead, as well as structural and site work.

#### HOW WE MINIMIZE RISK AND BOOST PERFORMANCE

- Partner with GCs to solicit bids and select each major subcontractor for the project
- Incentivize GC accountability by contracting all work under a Guaranteed Maximum Price Agreement that shares any savings
- Minimize gaps between subcontractors and ensure that payment for work is not duplicated
- Solicit and encourage cost-saving ideas from subcontractors
- Secure fixed-rate contracts with GCs to reduce costly change orders
- Give owners the right to audit the GC's books for signs of financial problems and to help ensure subcontractors are paid promptly



## CONSTRUCTION



### Expedite Transition to Construction

CCG teams actively partner with Hines' local construction management teams throughout the entire design and contracting process. This shared involvement streamlines the transition to hands-on construction execution and ensures that the unique insights and details of each project are fully realized.

#### HOW WE ENSURE A SMOOTH TRANSITION

- Establish a local point of continuity, typically the local Hines construction manager, who ensures project goals are met from design through delivery and closeout
- Visit the construction site daily to help anticipate problems, detect trouble spots and expedite solutions
- Protect people and property by proactively enforcing all health, safety and environmental requirements
- Reduce cost and schedule overruns by following all quality control measures established for the project

## CONSTRUCTION



### Manage Commissioning and Closeout

As each project nears completion, CCG works closely with Hines' property management and construction teams to tightly monitor and confirm that all building systems are installed, tested and balanced for peak efficiency – and ensure the property is ready for occupancy.

#### HOW WE DELIVER ONGOING SUCCESS ON SCHEDULE

- Protect long-term asset value by involving project designers, general contractors and Hines' specialty teams in the commissioning process
- Commission building systems and components based on client/owner operational requirements
- Actively partner with personnel who must live with the building design and systems after completion, including related work
- Reduce disruptions to tenants and ensure efficient transition from construction to operations
- Deliver a complete asset data room during closeout, including all documents, as-built drawings, O&M manuals, warranties and guarantees adhering to agreed-upon criteria



# Experience the value of true expertise.

The industry norm for change orders ranges from 5% to 7%. Hines projects typically average 2% to 3%, saving our clients millions of dollars in the process.





# The proof is in our performance.

## ON-BUDGET

Hines CCG leverages our deep construction knowledge and established industry relationships – along with stringent cost controls based on accurate forecasts – to consistently deliver projects that are on or under budget.



**TEXAS TOWER**  
Houston | Office

<b>Budget</b>	\$318.2M
<b>Actual</b>	\$307.5M



**T3 STERLING ROAD**  
Toronto | Office

<b>Budget</b>	\$127.0M
<b>Actual</b>	\$118.7M



**BOULEVARD OAKS PHASE II**  
Houston | Industrial

<b>Budget</b>	\$44.0M
<b>Actual</b>	\$42.5M

## ON-TIME

CCG provides continuous oversight in support of Hines' local construction teams to help meet or exceed the most time-sensitive requirements. We stay closely aligned to ensure all quality and construction milestones are met – and our clients' goals are achieved.



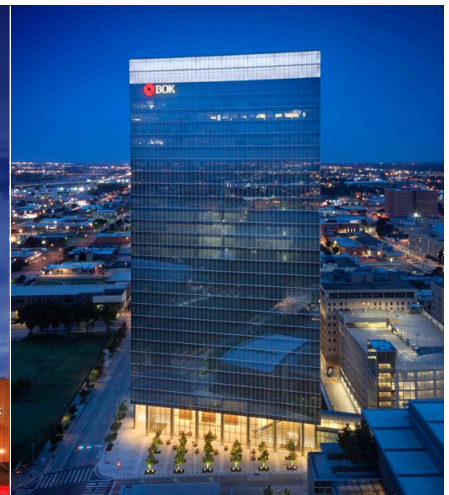
**ONE OAK BROOK COMMONS**  
Chicago | Multifamily

<b>Budget</b>	18 months
<b>Actual</b>	16 months



**THE STACK DEEP ELLUM**  
Dallas | Office

<b>Budget</b>	19 months
<b>Actual</b>	17.5 months



**BOK PARK PLAZA**  
Oklahoma City | Office

<b>Budget</b>	31 months
<b>Actual</b>	30 months





CCG brings lessons learned, hands-on rigor and significant buying power to every project we touch.

MILANOSESTO – MILAN

## FROM PRE-CONSTRUCTION TO COMMISSIONING, OUR CCG TEAM:



**LEVERAGES** and optimizes long-standing relationships with trusted GCs, subcontractors, architects and consultants, and suppliers



**NEGOTIATES** contract terms for contractors, architects and consultants



**CREATES** and maintains a construction cost and A&E cost data base



**DIRECTS** the fundamental systems analysis for each project



**REVIEWS** project drawings and specifications continually for errors, omissions and conflicts, to help reduce change orders



**MANAGES** the design process against quality, budget and schedule parameters



**DEVELOPS** strategically flexible and creative contracting and buyout strategies for each project; issues RFPs for the selection of the general contractor



**PARTICIPATES** with the general contractor in each individual subcontractor bid interview to thoroughly analyze each proposal, bring greater transparency and visibility into the project and establish a pre-qualified bid list



**EXCHANGES** feedback consistently with Hines senior regional engineers to discuss the operational impact of each project, system and manufacturer and lessons learned to be implemented into the next project design



**INVESTIGATES**, analyzes and tests new technology to ensure Hines' buildings continue to set new quality standards that are meaningful to our investors, tenants and clients



# His vision. Our ongoing mission.

“I thought that an experienced central design, engineering and construction resource, that can be active in multiple markets on a variety of projects every month, would significantly de-risk our project delivery and carry the lessons we learn along the way on each successive project — and time has proven this premise.”

– Gerald D. Hines, Founder 1925 – 2020





To learn more about how the Hines CCG can reduce your risk, lower your costs, improve delivery time and increase your long-term asset value, please contact:

**Andy Trowbridge**  
Executive Vice President  
**Hines Conceptual Construction Group**  
713 966 7695  
Andy.Trowbridge@Hines.com

2800 Post Oak Boulevard  
Suite 4900  
Houston, Texas 77056

Hines.com/  
ConceptualConstruction

## REGIONAL CONTACTS

### U.S. WEST REGION

LOS ANGELES

**Douglas H. Metzler**

Senior Managing Director/CEO

213 559 5720

Douglas.Metzler@Hines.com

### U.S. MIDWEST REGION

Including Canada and

South America

CHICAGO

**C. Kevin Shannahan**

Senior Managing Director/CEO

312 419 4900

Kevin.Shannahan@Hines.com

### U.S. SOUTHEAST REGION

Including The Caribbean

ATLANTA

**C. Kevin Shannahan**

Senior Managing Director/CEO

770 206 5300

Kevin.Shannahan@Hines.com

### U.S. SOUTHWEST REGION

Including Mexico and Panama

HOUSTON

**Mark A. Cover**

Senior Managing Director/CEO

713 237 5600

Mark.Cover@Hines.com

### U.S. EAST REGION

NEW YORK

**Sarah Hawkins**

Senior Managing Director/CEO

212 294 2526

Sarah.Hawkins@Hines.com

### EUROPEAN REGION

LONDON

**Lars Huber**

Senior Managing Director/CEO

44 20 7292 1900

Lars.Huber@Hines.com

### ASIA PACIFIC REGION

HONG KONG

**Raymond M. Lawler**

Senior Managing Director/CEO

949 313 2200

Raymond.Lawler@Hines.com

### EURASIA REGION

EASTERN EUROPE

**S. Lee Timmins**

Senior Managing Director/CEO

7 495 785 0500

Lee.Timmins@Hines.com



ONE MUSEUM PLACE – SHANGHAI

# Hines