

As the Middle East continues to witness substantial growth in its construction and real estate sectors, the role of asset and facilities management professionals in the design and construction phase is critical in delivering a property that is cost-efficient and meets sustainability goals during its operational phase, while providing owners with value preservation and net asset value growth.



Traditionally viewed as a cost function with prime focus on maintenance and operational tasks, asset and facility management professionals are now seen as collaborative partners from the planning and design phase to construction phase, and through to ongoing operation.

This shift comes from a growing understanding that to deliver a seamless end-user experience and achieve operational excellence in today's fast-changing tech environment, it is essential for all project stakeholders to work closely together throughout every phase of the project.

In the Middle Eastern built environment, developers and owners commonly seek support in the following areas:



Operational readiness and transition

- Operational readiness and activation trials
- Asset testing and corrective action plan
- Handover and transition management
- Mobilization of service providers
- Statutory compliance
- Emergency preparedness and business continuity



Property acquisition due diligence

- Profit and loss review
- Balance sheet review
- Operational cost review
- Lease validation
- Technical condition survey
- Life cycle costing
- Asset register preparation



ESG compliance

- ESG framework
- Sustainable practices
- Optimisation of energy costs
- Operational cost reviews
- Green building certifications
- Policies and procedures

How can PwC help ?

PwC have developed a comprehensive service offering in asset and facilities management advisory services based on the issues we hear from our clients and our capabilities in delivering a relevant and sustainable outcome.

Our expertise includes:

Asset management

- Strategic planning and investment management
- Asset and portfolio level business planning
- Asset management strategy
- Asset investment and acquisition strategy
- Investment performance and book value support
- Strategic development opportunities
- Leasing strategy
- Hold/Sell decision making
- Advisory/Value activities
- Asset and valuation advisory services
- DOA process advisory
- Gap assessment and review services

Facilities management

- Operational readiness assessments and operational excellence support
- Operational design reviews
- Whole life cycle costing and sinking fund analysis
- Life cycle assessment and management
- Facility management strategy and advisory
- Operation department setup and activation plan
- Financial modelling (service charges, reserve and sinking fund budgets)
- Procurement strategy and management of FM companies
- Handover management
- QHSE procedures and management
- ESG compliance and sustainable practices

Property management – Advisory services

- Property management set up and advisory services
- Property management/OPCO department setup and activation plan
- Financial management and reporting
- Landlord and tenant relations
- Advice on lease administration
- Technology platform advice
- Fit out management
- Space planning advisory services

We have in-depth knowledge around asset management and operation services throughout the project life cycle

Asset progress through the development value chain

Strategy	Design and planning	Construction and handing over A minimum of 6 months from project handover	Steady state operations
Design review and value engineering	Construction gap assessment and review		
Sustainable design/Operational efficiency	Transition and FM function setup		
Base built MEP/ Life cycle costing and OPEX impact	Technical due diligence	Procurement	Budget and delivery strategy
Space planning of operational facilities	FM involvement for shadow testing and commissioning	FM strategy	Operational readiness
Stakeholder engagement (third-party contractors, MEP consultants)	Defect management coordination	In-house, hybrid, TFM	Asset testing and corrective action plan
4Cs (command, control, communication & coordination)	Critical project documents	Site-specific scope of works, SLAs and KPIs	Facility management
Technology and systems selection (building automation, CAFM, ERP, IoT)	Utility metering and management plan	Procurement strategy and RFP issuance	Legal compliance
Design flexibility and future proofing for changes	QHSE readiness	Site surveys and project briefing	Risk management and business continuity
Strategic planning and investment management	Statutory register preparation	Asset/Technical register	HSE inspection plans and statutory compliance
Strategic development opportunities	Fit out guidelines	Commercial and technical evaluation of bids	Project pre-opening meetings
Staffing considerations	Stakeholder engagement (client, vendors, FM service providers)	Bid analysis and recommendation	Policies, processes, procedures and delegation of authority
FM staff offices and storage considerations	Snagging and defect management	Technical support	Construction gap assessment and review services
Spare parts storage considerations	Operational risk considerations	FM and property management technology	Operational team setup
			Staff training

Operational readiness – Key considerations

The role of asset and facilities management extends to both the built assets, stakeholders and the public realm to ensure the development is ready for both public and private occupation.

08. Staff training

Site induction and asset-specific trainings prior to project go-live is imperative to avoid any unforeseen interruption in facility operations brought about by human error or limited knowledge of the installed system.

07. Project documentation

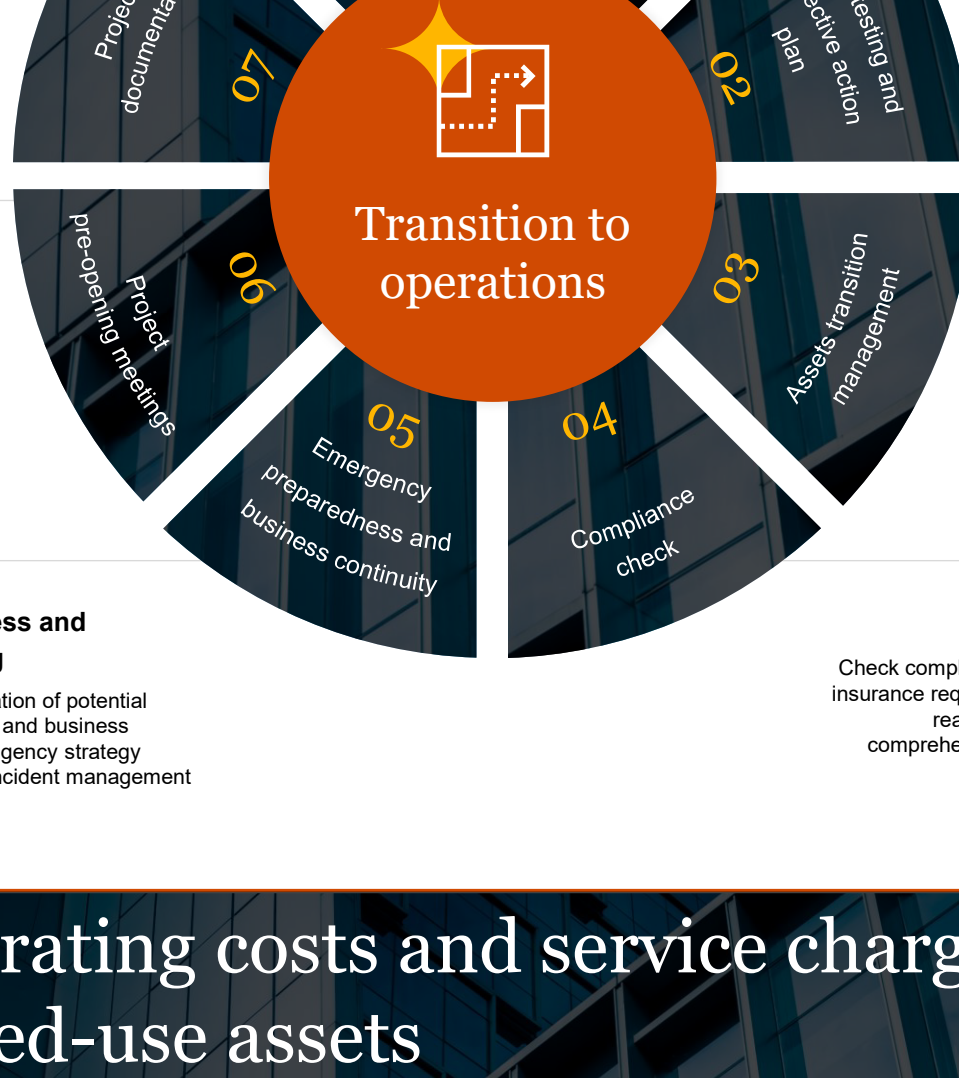
The project library is one of several pillars that governs success of the technical service delivery. A project-specific checklist will enable an asset management team to obtain the required documents prior to project takeover.

06. Project pre-opening meetings

A kick-off meeting with the relevant stakeholders is necessary to establish the foundation for a successful transition from construction to operations. The process will aim to ensure that all are aligned on responsibilities and timeline prior to project go-live.

05. Emergency preparedness and business continuity planning

The process will help in early identification of potential threats, safety, security, environmental and business continuity risks and formation of contingency strategy including emergency response plan, incident management plan and business continuity plan.



01. Governance and stakeholder management

Establishing a governance framework to gain commitment of the concerned stakeholders, indicate their roles and interdependencies. This will include formation of handover and asset management committees.

02. Asset testing and corrective action plan

Testing of base-built assets, technology and critical systems will commence, operational reviews, technical anomalies will be recorded formally with the response and remedial actions agreed by concerned stakeholders.

03. Assets transition management

Overseeing assets' progression in line with operational requirements and developing handing over processes including handover management plan and transition guidelines to ensure a smooth handover from construction to operation.

04. Compliance check

Check compliance with local regulations and laws and insurance requirements is critical as part of operational readiness. This phase will involve creating a comprehensive register of project-specific statutory requirements and compliance status.

Operating costs and service charges of mixed-use assets

Operating costs have a direct impact on the true return of the asset and maintaining accurate data on operational costs allows a true reflection of the net rental yield and allows the landlord to reduce operational costs through more efficient management and negotiations with 3rd party service providers.

Within the GCC service charge is often calculated as follows:

Fixed service charge	➤ High risk to owner if costs increase	Service charge apportionment - Built up area adopted for apartments and plot area for villa communities
Percentage of rent	➤ Risky when rents fluctuate	Each year a budget versus actual model should be prepared and benchmarked with the market and used when procuring 3 rd party services
Variable service charge	➤ Actual costs are captured and recovered	The ratio of service charge to rent is important and should not be greater than 30%

Service charge costs/benchmarking for commercial and retail units

Service charge



*Percentage allocation of the service charge components will vary from project-to-project

Operational technology considerations

Implementing the correct technology will differentiate your development from the competition and will provide long term savings on operation and energy costs whilst providing improved user satisfaction.

01

Property management and CAFM

Automated lease expiry notifications, rent collection and analytics, scheduling of work orders for maintenance and statutory certifications.

02

Smart building management system

Integrated digital solutions to streamline building operations and enable real-time monitoring of assets to enhance operational efficiency and lower OPEX costs.

03

Robotics and automation

Robotics and automation perform labour-intensive tasks and allow FM professionals to better utilise the site resources, increase operational efficiency and reduce costs.

04

User experience and mobile solutions

Enhancing workplace comfort, convenience and engagement by providing tools for end users to interact with their environment.

05

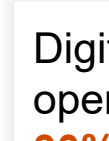
Building information modeling (BIM)

A digital solution that improves design accuracy, streamlines construction, simplifies long-term maintenance and stores building information throughout the project life cycle.

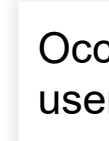
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IoT for facility operations

IoT technology helps collect real-time data of assets and enables FM professionals to better utilise the site resources, increase operational efficiency and reduce environmental footprint.



Digital technologies can lead to operational cost reductions of up to **30%**, primarily through the optimisation of maintenance processes, energy use, and asset management.



Occupants who have access to user-friendly digital platforms for reporting issues and providing feedback report a **20%** higher satisfaction rate.

A few of the questions we receive from our clients are:

01

How can we obtain a holistic view of operation readiness health check and resource performance?

02

How can we establish a governance structure that promotes scalability?

03

Are our assets in a physical condition ready for operation, and do we have all required permits and approvals in place?

04

How can we align portfolio management strategies with evolving market trends and tenant demands?

05

How can we achieve operational savings year-over-year and still ensure operations are executed as intended to deliver the promised end user experience?

06

How can we optimize leasing strategies to attract and retain high-quality tenants aligned and to support long-term operational and financial goals?

Examples of our experience:

City operational readiness review in KSA:

Operational review and assessment was conducted to support a major real estate developer in identifying any gaps and areas for improvement during operations of their assets. The review covered the physical condition and assessed the available processes and infrastructure to operate the building.

Development of a facilities management strategy in KSA:

A operating model, clear governance in operations and procedures to potentially increase quality of service delivery, reduce cost of maintenance and utilities.

Development of policies and procedures:

Engage with key stakeholders to develop policies and procedures for asset management, property management, and operation and maintenance functions, supported by standard operating procedures (SOPs) for operational tasks.

Our team

Our multidisciplinary real estate team in the Middle East combines industry-leading expertise with a strong engineering background and operational experience. We include certified engineers, asset management and real estate professionals.

We have extensive experience in the realm of asset, facilities and property management and can provide advisory services across the entire life cycle of any real estate development.

Our specialism is transition management from development to operations and setting up the operational company.



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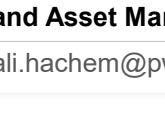
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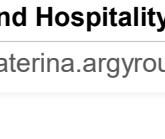
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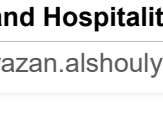
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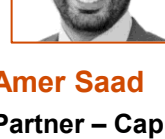
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