Roles and Governance in Dutch Office Conversion Projects
Exploring the collaboration between project actors

Graduation Thesis
Appendices A1; B1; C1 - C6

B.J.M. (MAARTEN) GAASENBEEK – 4004639
MSC CONSTRUCTION MANAGEMENT AND ENGINEERING

OCTOBER 25th, 2016
Introduction

This document contains all appendices related to the graduation thesis by B.J.M. Gaasenbeek. Access to appendices A1, B1, C1, C2 and C3 is public, access to appendices C4, C5 and C6 is restricted to members of the graduation committee or at the discretion of the author.

Please note that the appendices are written in such a manner that they are meant to be used as a reference work to the main thesis. Solely reading the appendices does not depict the line of reasoning used in the thesis. References to the respective appendices are underlined in the main report.

Maarten Gaasenbeek
Delft, September 2016
Table of Contents

LIST OF FIGURES .................................................................................................................................................. 3
LIST OF TABLES ................................................................................................................................................... 3
APPENDIX A1: STEPWISE REFINEMENT OF SUBJECT .......................................................................................... 4
APPENDIX B1: SEARCH STRATEGY LITERATURE STUDY ..................................................................................... 5
APPENDIX C1: INTERVIEW PROTOCOL VERSION 1 .............................................................................................. 7
APPENDIX C2: INTERVIEW PROTOCOL VERSION 2 .............................................................................................. 10
APPENDIX C3: CHECKLIST LITERATURE VERSUS PRACTICE ........................................................................... 13
APPENDIX C4: OVERVIEW INTERVIEW PARTICIPANTS (RESTRICTED ACCESS) .............................................. 14
APPENDIX C5: TRANSCRIPTS EXPERT INTERVIEWS (RESTRICTED ACCESS) .................................................. 15
APPENDIX C6: THEMATIC SUMMARIES INTERVIEW CLUSTERS (RESTRICTED ACCESS) ................................. 16

INTRODUCTION ....................................................................................................................................................... 16
List of Figures

FIGURE 1: RESEARCH STRATEGY LITERATURE STUDY ................................................................. 5
FIGURE 2: APPENDING TOPICS PROJECT ROLES ................................................................... 6
FIGURE 3: APPENDING TOPICS PROJECT GOVERNANCE ......................................................... 6

List of Tables

TABLE 1: KEY WORD AND PHRASES USED IN LITERATURE SEARCH .................................... 5
TABLE 2: RELEVANT CHARACTERISTICS FOR ALLOCATION OF ACTIVE PROJECT ROLE AND ROLE GOVERNANCE IN OFFICE CONVERSION PROJECTS ........................................ 16
Appendix A1: Stepwise Refinement of Subject

Using stepwise refinement to create a research subject allows for reflection on the motivation for each of the individual components of the subject. This allowed for a research subject which only consists of elements which are prevalent to the research and which provide a starting point when defining the research scope.

The first element which is to be incorporated into the research subject should revolve around the physical activity which is to take place. In the case of this research, this activity is the alteration of the use of a commercial real estate property asset.

a) Conversion

When moving forward from transformation, it is important to denote what is to be converted. In the case of this research, this involves properties which have to be transformed in predetermined timespan.

b) Office Conversion Projects

Office conversion takes place in many continents and countries around the world. Therefore it is important to denote where these activities take place. For this research, only projects which are carried out within the Netherlands and governed by Dutch public- and private law are taken into account.

c) Dutch Office Conversion Projects

Within office conversion projects, a multitude of project activities (both in relation to the physical asset as well as in the overhead) have to be carried out. To be able to link these project activities to actors, a number of distinctive project roles has to be filled.

d) Project roles for Dutch Office Conversion Projects

Merely assessing the existence of distinctive project roles will most likely not create sufficient new knowledge to possess scientific merit. Looking into how the project roles could be managed in a structured manner can provide adequate opportunities for creating relevant knowledge.

e) Governance of Project roles for Dutch Office Conversion Projects

In order to provide an umbrella under which the project roles can be bundled, the research shall focus on the governance of roles within separate projects in order to initially filter out the spill over effects between projects.

f) Governance of roles within a project structure for Dutch office conversion projects.
Appendix B1: Search Strategy Literature Study

As is mentioned in the main research report, the literature study is built upon three topics (pillars); project roles, project actors and project governance; all within the realm of office conversion projects in the Netherlands. Figure 1 below describes the general research strategy employed when carrying out the literature study.

The key words in table 1 formed the basis for the literature search. The key words wherein a combination of several words is listed means that these words have only been search together to reduce the chance of unwanted results.

<table>
<thead>
<tr>
<th>Adaptive re-use</th>
<th>Development risk</th>
<th>Liability</th>
<th>Permit</th>
<th>Uniform administrative conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collaboration</td>
<td>Finance</td>
<td>Marketing risk</td>
<td>Project actor</td>
<td>Zoning plan</td>
</tr>
<tr>
<td>Conversion</td>
<td>Governance</td>
<td>Netherlands</td>
<td>Project role</td>
<td></td>
</tr>
<tr>
<td>Development</td>
<td>Investor</td>
<td>Office</td>
<td>Real estate</td>
<td></td>
</tr>
</tbody>
</table>

Search queries have been built systematically using the “AND” and “NOT” operators. The following list contains examples from the used search queries.

- Project AND role AND adaptive AND re-use
- Office AND conversion AND Netherlands
- Real AND estate AND development AND office
- Finance AND office AND conversion
- Collaboration AND office AND conversion
- Project AND actor AND office AND conversion

As the search through the existing body of literature progressed, it became clear that the level of existing scientific knowledge among the topics was highly varied. For the topic “project actors”, using primary references and cross-checks with secondary references yielded result. For the topics “project roles” and “project governance”, the level of already existing knowledge within the realm of office conversion projects proved to be limited. To combat this issue, the search strategy for these topics was further refined through the use of appending topics to the desired topic. Figure 2 and Figure 3 on the following page describe this search process.
Figure 2: Appending Topics Project Roles

Figure 3: Appending Topics Project Governance
Appendix C1: Interview Protocol Version 1

The interview protocol displayed below is used during interviews R1, R2, R3 and R4. A Dutch language version of the protocol is available upon request.

Description
The interview questions are divided into three content clusters, which are similar to the literature chapters (project roles, project actors and project governance). The aim is to allow the interviewee to convey their own experiences concerning their involvement in office conversion projects related to the interaction between actors. To allow the interviewee to draw from personal experience, a semi-structured layout is implemented. The elements allocation of development- and marketing risk, ratio of transaction costs and creation costs and source of funding are explicitly incorporated. The funnelling process is designed to move from assessing the interviewee’s perception on actors and roles towards an assessment of project governance and optimisation.

Type of Interview
Semi-Structured

Purpose
Assessing the involvement of actors and project governance structures related to performance of project governance in Dutch office conversion projects

Scope of Interviewees
Real Estate Developers, Architects and Contractors; Participation in completed office conversions is required

Viewpoint
Exploratory research into tensions between project roles and actor involvement in office conversion projects

Related Research Questions
Which project role based factors have an impact on the feasibility of Dutch office conversion projects?
Which alterations to the common actor-role pairing in office conversion are likely to be of benefit to upcoming office conversion projects?

Description Interviewee
Anonymize personal and project data in public report: Yes / No
Record Audio: Yes / No
Name and Job Title:
Experience (Amount of office conversions, Years active in field):
Company:
Type of organisation: Independent developer / Affiliated developer1 / Architect / Contractor
Risk bearing involvement in office conversion projects:
Yes; fully risk bearing2 / Yes; limited risk bearing beyond liability for work carried out3 / No; merely liable for work carried out4

1 Affiliated developers are classified as real estate developers who are 100% owned by a contractor or housing association.
2 Through internal funding or external funding agreement
3 Non-consultancy agreement
4 Consultancy agreement
Introduction Question
Please tell me about your work experience within real estate redevelopments and office conversions in particular.

Control Questions
Do you understand the project phases Initiation, Feasibility, Design, Realisation, Operation and Maintenance for office conversion projects and which of the project phases do you perceive as having the largest impact on project complexity in comparison to new built real estate?

To which extent has the economic downturn of 2008 lead to a reduction in the share of conversion projects which make it past the feasibility analysis?

Which division of project roles do you perceive and to which extent have the market dynamics spiked a need for a re-evaluation in the division of project activities in office conversion projects?

Project Roles
Which activities and subsequent risk allocation and accountability does your organisation carry out in office conversion projects?
Probe: Do you feel like your organisation possesses the expertise to expand on the current portfolio of tasks?
Probe: Is becoming risk-bearing (or increasing the risk profile) a possibility?
Probe: If so, during which project phase could additional risk be allocated to your organisation?

Which characteristics should the actors carrying accountability for project initiation and development possess in terms of creativity, financial means and market knowledge?
Probe: How about combined initiation to incorporate both initiation and realisation?

To which extent does the regulator (local government) have the ability to influence the interaction between the project roles developer, initiator, investor and producer?
Probe: Should the regulator merely facilitate or is active participation required?

Project Actors
Could you elaborate on the type of actors you currently work with within office conversion projects and do these interconnections change as the project progresses across project phases?
Probe: Are we merely talking about contract based interconnections, or do interconnections of a more informal nature between project actors also play a role?

Which project actors possess the strongest impact on the feasibility (achieving a feasible business case) within office conversion projects and in which manner is this influence exerted?
Probe: Would this influence stem from a purely financial background?

Project Governance
Which project characteristics related to office conversions determine the level of project governance required in order to balance the in-house activities stemming from the project role and the interaction with other project actors (outsourcing)?
Probe: What is the effect of transaction costs during initiation and feasibility on this trade-off?

Within which forms of collaboration (Design, Bid, Build; Design and Build; Design-/Building Team) does your organisation participate in office conversion projects?
Probe: Does the form of collaboration dictate the decision making, or does informal collaboration in order to increase performance also play a role?
Probe: Does your organisation benefit from strategic cooperation within office conversion or would you prefer to carry out the work independently?
What do you perceive to be the benefits and drawbacks of having either a real estate developer, an architect or a contractor as a project manager (supervisors) during design and realisation for an office conversion project?

Probe: Do you feel that having an affiliated contractor or a contractor in charge makes a difference in terms of performance?
Appendix C2: Interview Protocol Version 2

The interview protocol displayed below is used during interviews R9, R14, A11, A12, A13, A16, C5, C7, C8 and C15. A Dutch language version of the protocol is available upon request. Alterations between version 1 and version 2 are underlined.

Description
Unaltered from version 1.

Type of Interview
Semi-Structured

Purpose
Assessing the involvement of actors and project governance structures related to performance of project governance in Dutch office conversion projects

Scope of Interviewees
Real Estate Developers, Architects and Contractors; Participation in completed office conversions is required

Viewpoint
Exploratory research into tensions between project roles and actor involvement in office conversion projects

Related Research Questions
Which project role based factors have an impact on the feasibility of Dutch office conversion projects?
Which alterations to the common actor-role pairing in office conversion are likely to be of benefit to upcoming office conversion projects?

Description Interviewee
Anonymize personal and project data in public report: Yes / No
Record Audio: Yes / No
Name and Job Title:
Experience (Amount of office conversions, Years active in field):
Company:
Type of organisation: Independent developer / Affiliated developer⁵ / Architect / Contractor

Risk bearing involvement in office conversion projects:
Yes; fully risk bearing⁶ / Yes; limited risk bearing beyond liability for work carried out⁷ / No; merely liable for work carried out⁸

---

⁵ Affiliated developers are classified as real estate developers who are 100% owned by a contractor or housing association.
⁶ Through internal funding or external funding agreement
⁷ Non-consultancy agreement
⁸ Consultancy agreement
**Introductory Question**

Please tell me about your work experience within real estate redevelopments and office conversions in particular.

**Control Questions**

Do you understand the project phases *Initiation, Feasibility, Design, Realisation, Operation and Maintenance* for office conversion projects and which of the project phases do you perceive as having the largest impact on project complexity in comparison to new built real estate?

To which extent has the economic downturn of 2008 lead to a reduction in the share of conversion projects which make it past the feasibility analysis?

Which division of project roles do you perceive and to which extent have the market dynamics spiked a need for a re-evaluation in the division of project activities in office conversion projects?

**Project Roles**

Which activities and subsequent risk allocation does your organisation currently carry out in office conversion projects?

*Probe:* Do you feel like your organisation possesses the expertise to expand on the current portfolio of tasks?  
*Probe:* Is becoming risk-bearing (or increasing the risk profile) a possibility?  
*Probe:* If so, during which project phase could additional risk be allocated to your organisation?

Which characteristics should the actors carrying responsibility for project initiation and development possess in terms of creativity, financial means and market knowledge?

*Probe:* How about combined initiation to incorporate both initiation and realisation?

To which extent does the regulator (local government) have the ability to influence the interaction between the project roles developer, initiator, investor and producer?

*Probe:* Should the regulator merely facilitate or is active participation required?

**Project Actors**

Could you elaborate on the type of actors you currently work with within office conversion projects and do these interconnections change as the project progresses across project phases?

*Probe:* Are we merely talking about contract based interconnections, or do interconnections of a more informal nature between project actors also play a role?

Which project actors possess the strongest impact on the feasibility (achieving a feasible business case) within office conversion projects and in which manner is this influence exerted?

*Probe:* Would this influence stem from a purely financial background?

**Project Governance**

Which project characteristics related to office conversions determine the level of project governance required in order to balance the in-house activities stemming from the project role and the interaction with other project actors (outsourcing)?

*Probe:* What is the effect of transaction costs during initiation and feasibility on this trade-off?

Within which forms of administrative conditions (UAC2012/DNR2011/UAV-IC2005) does your organisation participate in office conversion projects?

*Probe:* If you organisation were to diversify its portfolio of tasks, which form of liability (full legal liability or limited liability for the work carried out (similar to clauses in DNR2011)) would be preferable, and for which reasons?
Probe: Does the form of collaboration dictate the decision making, or does informal collaboration in order to increase performance also play a role?
Probe: Does your organisation benefit from strategic cooperation within office conversion or would you prefer to carry out the work independently?

What do you perceive to be the benefits and drawbacks of having either a real estate developer, an architect or a contractor as a project manager (supervisors) during design and realisation for an office conversion project?
Probe: Do you feel that having an affiliated contractor or a contractor in charge makes a difference in terms of performance?
Probe: Does the type of actor which serves as project manager warrant a need for re-evaluation of the liability (in administrative conditions) used by your organisation?
Appendix C3: Checklist Literature versus Practice

For each of the interviews carried out, a checklist of phase involvement and task allocation was filled in during the conversation. The answers to the checklist were based upon the response of the interviewee over the course of the conversation. The contents of this checklist were not communicated to the interviewee prior to the interview in order to limit the bias towards giving specific answers. At the end of each interview, the checklist was explained to the interviewee and any irregularities were discussed.

<table>
<thead>
<tr>
<th>#</th>
<th>Cluster</th>
<th>Sub Cluster</th>
<th>Realm</th>
<th>Description</th>
<th>Developer</th>
<th>Initiator</th>
<th>Designer</th>
<th>Builder</th>
<th>Investor</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Project Phases</td>
<td>N/a</td>
<td>N/a</td>
<td>Initiation (Project Brief)</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Project Phases</td>
<td>N/a</td>
<td>N/a</td>
<td>Initiation (Role Allocation)</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td>Feasibility study</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td>Design (Preliminary Design/Detailed Design)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td>Design (Executional Design)</td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td>Realisation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>7</td>
<td>Regulatory Requirements</td>
<td>N/a</td>
<td>Public Law</td>
<td>Change of land use plan</td>
<td>X</td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td>Building permits</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td></td>
<td></td>
<td></td>
<td>Project management</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td></td>
<td></td>
<td></td>
<td>On site supervision</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>11</td>
<td></td>
<td></td>
<td></td>
<td>Contracting of outsourced activities</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>12</td>
<td>Project Governance</td>
<td>Risk Allocation and Liability</td>
<td>Private Law</td>
<td>Allocation of development risk</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>13</td>
<td></td>
<td></td>
<td></td>
<td>Allocation of marketing risk</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>14</td>
<td></td>
<td></td>
<td></td>
<td>Liability (dependant on administrative conditions)</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td></td>
<td></td>
<td></td>
<td>Funding for development</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td></td>
<td></td>
<td></td>
<td>Funding for sales transactions</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendix C4: Overview Interview Participants (Restricted Access)

In order to protect the privacy of the participants, appendix C4 is not available in the public version of the appendix cluster.

The contents of this appendix are known to the graduation committee.
Appendix C5: Transcripts Expert Interviews (Restricted Access)

In order to protect the privacy of the participants, appendix C5 is not available in the public version of the appendix cluster.

The contents of this appendix are known to the graduation committee.
Appendix C6: Thematic Summaries Interview Clusters (Restricted Access)

Introduction

General

This appendix is a direct follow up from appendix C5: Transcripts Expert Interviews (Restricted Access). For each of the three participant clusters, a thematic summary is displayed along the criteria set in the literature study in chapter 7 of the main research report. Elements 1 through 6 outlined in the table below will be combined under “Phase Involvement”, with the other sub clusters of governance tasks (“Regulatory Requirements” through to “Finance”) each been given a specific paragraph.

Table 2: Relevant Characteristics for Allocation of Active Project Role and Role Governance in Office Conversion Projects

<table>
<thead>
<tr>
<th>#</th>
<th>Cluster</th>
<th>Sub Cluster</th>
<th>Realm</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Project Phases</td>
<td>N/a</td>
<td>N/a</td>
<td>Initiation (Project Brief)</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td>Initiation (Role Allocation)</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td>Feasibility study</td>
</tr>
<tr>
<td>4</td>
<td></td>
<td>N/a</td>
<td></td>
<td>Design (Preliminary Design/Detailed Design)</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td>Design (Executional Design)</td>
</tr>
<tr>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td>Realisation</td>
</tr>
<tr>
<td>7</td>
<td>Project Governance</td>
<td>Regulatory Requirements</td>
<td>Public Law</td>
<td>Change zoning plan</td>
</tr>
<tr>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td>Building permits</td>
</tr>
<tr>
<td>9</td>
<td></td>
<td>Collaboration and Supervision</td>
<td>Private Law</td>
<td>Project management</td>
</tr>
<tr>
<td>10</td>
<td></td>
<td></td>
<td></td>
<td>On site supervision</td>
</tr>
<tr>
<td>11</td>
<td></td>
<td>Risk Allocation and Liability</td>
<td></td>
<td>Contracting of outsourced activities</td>
</tr>
<tr>
<td>12</td>
<td></td>
<td></td>
<td></td>
<td>Allocation of development risk</td>
</tr>
<tr>
<td>13</td>
<td></td>
<td></td>
<td></td>
<td>Allocation of marketing risk</td>
</tr>
<tr>
<td>14</td>
<td></td>
<td></td>
<td></td>
<td>Liability (dependant on administrative conditions)</td>
</tr>
<tr>
<td>15</td>
<td></td>
<td>Finance</td>
<td></td>
<td>Funding for development</td>
</tr>
<tr>
<td>16</td>
<td></td>
<td></td>
<td></td>
<td>Funding for sales transactions</td>
</tr>
</tbody>
</table>

Due to the restrictions in being allowed to publications direct quotes from certain interviews, the comparison of the quotes shall be limited to each cluster summary and the use of quotes in the main body of the report shall be refrained from.

The formulation of shall also not be done in this appendix, but in the cross-cluster summary in the main research report.

Specific Split for Real Estate Developer- and Contractor Cluster

The data from the interviews validated in split in roles descriptions in the thematic summaries for the real estate developer and contractor. For the developer cluster, descriptions are included for the deviated project roles “Fee-Developer” and “Risk-Bearing Developer”. Along the same lines, a split in the contractor cluster has been made for the deviated project roles “Builder” and “Developing Builder”.

In order to protect the privacy of the participants, further contents of appendix C6 are not available in the public version of the appendix cluster.

The contents of this appendix are known to the graduation committee.