

THE STEPS TO CREATE A MODERN “BUSINESS CENTER” BUILDING (ON THE EXAMPLE OF THE CITY OF TERMEZ)

Mohammad Yousuf Yasar Akbari (TerSU, Magistrate of Engineering Graphics and Design Theory)
Anvar Turakulov Ergashovich (TerSU, Research advisor)

Introduction: My name is Mohammad Yousuf and my last name is Yaser. I am an Afghan and my profession is “Civil Engineering”. I already have had more visits from many cities of Uzbekistan, specially Termez City.

The reasons such as: more developed level of teaching in Uzbekistan than the other neighboring countries of Afghanistan, being close of Termez city to Balkh province where I live, and also having the same and shared language (my native tongue is Uzbeki), made me more interested to study in master’s degree in this country.

Professionally, in the first focus on Termez city considering the geographical, economic potentials and creating easy investments to the rich people, especially to the rich people of the neighboring countries, I faced a shortage which is “lack of business complex buildings” that should contain all their special criteria.

By using what I have learned, considering to have done a little bit cooperation to this city, I have chosen the title of my defense of project, the designation of a building “A Business Center“. The area or surface I saw for this idea is shown for you in this picture (1-picture, a), b)).



1-picture. (Space view of the old “Fortress” in Termez city)

But before that, in this paragraph, I am supposed to present you short information about “Commercial Building” that is very significant to know it in today’s developed society which is explained as below:

Commercial buildings. The term commercial property (also called commercial real estate, investment or income property) refers to buildings or land intended to generate a profit, either from capital gain or rental income. Commercial property includes office buildings, medical centers, hotels, malls, retail stores, multifamily housing buildings, farm land, warehouses, and garages. In many states, property containing more than a certain number of units qualifies as commercial property for borrowing and tax purposes.

Commercial buildings are buildings that are used for commercial purposes, and include office buildings, warehouses, and retail buildings (e.g. convenience stores, 'big box' stores, and shopping malls). In urban locations, a commercial building may combine functions, such

as offices on levels 2-10, with retail on floor 1. When space allocated to multiple functions is significant, these buildings can be called multi-use. Local authorities commonly maintain strict regulations on commercial zoning, and have the authority to designate any zoned area as such; a business must be located in a commercial area or area zoned at least partially for commerce.

Types of commercial property. Commercial real estate is commonly divided into five categories:

1. Office Buildings – This category includes single-tenant properties, small professional office buildings, downtown skyscrapers, and everything in between.

2. Retail/Restaurant – This category includes pad sites on highway frontages, single tenant retail buildings, small neighbourhood shopping centers, larger centers with grocery store anchor tenants, "power centers" with large anchor stores such as Best Buy, PetSmart, OfficeMax, and so on even regional and outlet malls.

3. Multifamily – This category includes apartment complexes or high-rise apartment buildings. Generally, anything larger than a fourplex is considered commercial real estate.

4. Land – This category includes investment properties on undeveloped, raw, rural land in the path of future development. Or, infill land with an urban area, pad sites, and more.

5. Miscellaneous – This catch all category would include any other non-residential properties such as hotel, hospitality, medical, and self-storage developments, as well as many more.

Categories of Commercial Real Estate	
Category	Examples
Leisure	hotels, public houses, restaurants, cafes, sports facilities
Retail	retail stores, shopping malls, shops
Office	office buildings, serviced offices
Healthcare	medical centers, hospitals, nursing homes
Multifamily (apartments)	multifamily housing buildings

Of these, only the first five are classified as being commercial buildings. Residential income property may also signify multifamily apartments.

Investment. The basic elements of an investment are cash inflows, outflows, timing of cash flows, and risk. The ability to analyse these elements is key in providing services to investors in commercial real estate.

Cash inflows and outflows are the money that is put into, or received from, the property including the original purchase cost and sale revenue over the entire life of the investment. An example of this sort of investment is a real estate fund.

Cash inflows include the following:

- Rent
- Operating expense recoveries
- Fees: Parking, vending, services, etc.
- Proceeds from sale
- Tax Benefits
- Depreciation
- Tax credits (e.g., historical)

Cash outflows include:

- Initial investment (down payment)
- All operating expenses and taxes
- Debt service (mortgage payment)
- Capital expenses and tenant leasing costs
- Costs upon Sale

The timing of cash inflows and outflows is important to know in order to project periods of positive and negative cash flows. Risk is dependent on market conditions, current tenants, and the likelihood that they will renew their leases year-over-year. It is important to be able to predict the probability that the cash inflows and outflows will be in the amounts predicted, what is the probability that the timing of them will be as predicted, and what the probability is that there may be unexpected cash flows, and in what amounts they might occur.

The total value of commercial property in the United States was approximately \$6 trillion in 2018. The relative strength of the market is measured by the US Commercial Real Estate Index which is composed of eight economic drivers and is calculated weekly,

According to Real Capital Analytics, a New York real estate research firm, more than \$160 billion of commercial properties in the United States are now in default, foreclosure, or bankruptcy. In Europe, approximately half of the €960 billion of debt backed by European commercial real estate is expected to require refinancing in the next three years, according to Property Mall, a UK-based commercial property news provider Property Mall. Additionally, the economic conditions surrounding future interest rate hikes; which could put renewed pressure on valuations, complicate loan refinancing, and impede debt servicing could cause major dislocation in commercial real estate markets.

However, the contribution to Europe's economy in 2012 can be estimated at around €285 billion according to EPRA and INREV, not to mention social benefits of an efficient real estate sector. It is estimated that commercial property is responsible for securing around 4 million jobs across Europe.

Commercial property transaction process (deal management). Typically, a broker will identify a property that fits a set of criteria set out by an acquisitions, capital investment, or private equity firm. The firm will perform an informal assessment of the property location and potential profitability, and if they are interested, they will signal their intent to move forward with a letter of intent.

An investment committee with senior acquisitions executives reviews all pending deals and advises whether to move forward with a purchase and sale agreement (PSA), and a deposit. A PSA is an exclusive agreement between the seller and a single interested buyer. No other LOIs or PSA may exist for one property at a time.

Once a PSA is executed, the acquisitions team usually has 30 days to perform due diligence, unless an extension is granted. During this 30-day period, the acquisitions team investigates the property thoroughly in an attempt to uncover any undesirable characteristics, damage, or other circumstances that could affect the profitability or final selling price of the property.

The acquisitions team may want to investigate the rent roll, existing vendor contracts, city permits, insurance policies, etc. The acquisitions firm may hire a third party to conduct an appraisal, environmental reports, traffic counts, and more. The ultimate goal is to gather as much information as possible to make an informed investment decision.

Once due diligence is complete, the acquisitions team must decide whether to move forward with the purchase to closing. Closing is a window of 10-15 days during which the acquisitions firm owes an additional deposit, and they must finalize financing.

Such as famous business buildings in world: 30 St Mary Axe: 30 St Mary Axe (known previously as the Swiss Re Building), informally known as The Gherkin, is a commercial skyscraper in London's primary financial district, the City of London (2-picture). It was completed in December 2003 and opened in April 2004. With 41 floors, it is 180 meters (591 ft.) tall^[3] and stands on the former sites of the Baltic Exchange and Chamber of Shipping, which were extensively damaged in 1992 in the Baltic Exchange bombing by a device placed by the Provisional IRA in St Mary Axe, a narrow street leading north from Leaden hall Street.



2-picture

After plans to build the 92-storey Millennium Tower were dropped, 30 St Mary Axe was designed by Norman Foster and Arup Group. It was erected by Skanska; construction started in 2001.

The building has become a recognizable landmark of London, and it is one of the city's most widely recognized examples of contemporary architecture.



3-picture

Tianjin Modern City Office Tower: Tianjin Modern City Office Tower is a supertall skyscraper in Tianjin, China. It is 338 metres tall. It was first proposed in 2010 (**3-picture**). Construction began in 2011 and ended in 2016. The tower is a part of a set of two towers with the other tower being 205 m tall. Wikipedia Located in: The Exchange Mall, Address: 108 Nanjing Rd, Plaza 66, Heping, Tianjin, China, 300041, Height: 338 m, Floors: 65, Phone: +86 22 2311 3333, Construction started: 2011.

BAONENG CENTER: Skyscraper in China. Baoneng Center is a supertall skyscraper under construction in Shenzhen, Guangdong, China (**4-picture**).



4-picture

It will be 327 metres tall. Construction started in 2014 and is expected to be completed in 2018. The architecture firm Aedas designed Baoneng Center for Baoneng Group. Wikipedia, Height: 327 m CTBUH, Floors: 65, Opened: 2018, Construction started: 2014, Owner: Baoneng Group, Location: Shenzhen, Guangdong.

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