

Surbana Jurong acquires two architecture firms

Move almost doubles its headcount of architects, boosts capacity for ambitious projects

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SURBANA Jurong is acquiring two major architectural firms, in a move that almost doubles the group's headcount of architects and boosts its ability to take on ambitious projects, particularly in sectors such as healthcare and hospitality.

Canadian firm B+H and Singapore firm SAA Architects are just the latest acquisitions by the urban and infrastructure development consultancy, which has tripled its revenue through both organic and inorganic growth since its establishment in mid-2015.

Previous moves focused on building up capabilities in infrastructure, one of its three main business areas, group chief executive officer Wong Heang Fine told *The Business Times*.

"This time round, we want to further deepen our urban (capabilities), to bring up our urban revenue."

Infrastructure currently accounts for about 45 per cent of Surbana Jurong's business, with the urban segment accounting for another 25 per cent and managed services the final 30 per cent. With the urban market now strengthening, the intention is for that segment to eventually contribute as much as infrastructure.

The group's urban capabilities include architecture, civil structure,

mechanical and electrical systems (M&E), quantity surveying, and project management.

On the architecture front, Surbana Jurong has experience in townships, particularly with its long history of public housing in Singapore. The company now wants to deepen its capabilities in other types of projects, including healthcare, offices, condominiums and mixed-use developments.

B+H gives access to North America – where Surbana Jurong has yet to do any projects – as well as major technology firms. SAA is strong in Singapore, Malaysia, and China, with offices across South-east Asia.

Before the latest acquisitions, it had to collaborate with third parties on such projects. "Now it's in-house – we can do it alone," said Mr Wong.

Similarly, Surbana Jurong's engineering capabilities will now be at the disposal of the two architecture firms, which will continue to operate

under their own brands and current management teams.

"In the past, (the architecture firms) would concentrate on the architecture and work with others for M&E, civil and structure... Now we can take on some of this downstream work."

B+H has notable strengths in hospitality and healthcare, extending to interior design for such projects – two specialised sectors and one architectural area, respectively, that Surbana Jurong intends to explore further.

SAA has capabilities in both healthcare and transport, with work done on Singapore's MRT lines as well as Changi Airport's Terminal 4.

Both firms are also valuable additions to the group due to their ambitious creative style, said Mr Wong: "They're pushing the envelope. They're pushing the design to the extreme, and that's what we want to do."

With these architects and its own civil structure and engineering capabilities, Surbana Jurong will be able to take on "very complicated designs".

By working on exciting projects, the firm can also "become a magnet for all kinds of talents".

On the talent front, Surbana Jurong has also formed a collaboration with Hong Kong-based Rocco Design Architects. Some of its architects will be mentored by Rocco, while Surbana Jurong supports some of Rocco's design work.



From left: Surbana Jurong board members Eric Ang and Ku Moon Lun; B+H chief executive officer Bill Nankivell; Surbana Jurong chairman Liew Mun Leong; Surbana Jurong group CEO Wong Heang Fine; Rocco Design Architects executive director Rocco Yim; and SAA Architects managing director Yeo Siew Haip. Surbana Jurong has also formed a collaboration with Hong Kong-based Rocco Design Architects. PHOTO: SURBANA JURONG

Mr Wong said: "To us, it's really about giving the opportunity to our young architects, and having the opportunity for our people to learn from these great designers."

Talent is of particular concern to Mr Wong, who says the two new acquisitions – which add more than 600 people to the group's headcount – are more about talent than revenue contribution.

"Every acquisition is really to deepen the talent base," he adds. "We are not after just being big for being big, or being global for being global."

The firms also bring greater market access. In particular, B+H gives access to North America – where Surbana Jurong has yet to do any projects – as well as major technology firms which are its clients. SAA is strong in Singapore, Malaysia, and China, with offices across South-east Asia.

While welcoming opportunities in new markets, Mr Wong said Surbana Jurong is retaining its focus on Asia. Subway construction and healthcare are also areas with great potential.

Though sceptics might question the group's burgeoning portfolio of acquisitions, Mr Wong pointed out the

different geographical focuses of the two architectural firms.

As Surbana Jurong expands, the potential for more acquisitions diminishes, it is "then more likely to have an overlap".

Asked if managed services will be the next area of focus, Mr Wong said the group will look at boosting that next.

That segment includes facilities management, security, and smart city services. These tend to be on three- to five-year contracts that are usually renewed, providing much-appreciated recurrent revenue, says Mr Wong.