



Measure What Matters

Ways you can leverage actionable survey insights to increase asset value.



INTRODUCTION

Economic recession. Rising inflation. Ballooning interest rates. Political divisiveness. And all of that on the heels of a pandemic that reshaped business. In the often-quoted words of Heraclitus, “The only constant in life is change.”

Despite outside forces that “move your cheese,” you still have a business to run, so measuring what matters is essential, particularly in a market where occupancy rates are in flux.

In the commercial real estate business, having insight into what’s happening with your tenants, employees, clients, and investors is invaluable. In fact, the more things change, the more important it is to have a lens into metrics like tenant and employee perceptions, lease renewal intent, opinions about building management, amenities, and more.

While preferences for remote work remain, commercial real estate is still in demand, and this demand is expected to increase.

In fact, recent research by IBISWorld on the U.S. commercial real estate industry shows a growing need for industry services such as development consulting, commercial leasing, and brokerage and property management — all of which are likely to expand for the next few years.

This trend underscores the importance of companies staying attuned to the evolving changes in tenant and end-user preferences and adapting operations to proactively meet dynamic business needs and requirements.

Commercial real estate owners, operators, and investors must stay dialed in on the pulse of future tenant expectations and needs because business decisions made now will determine your company's ability to thrive in the future.



Data that helps ensure CRE asset appeal and market value is paramount for investment management companies working in the institutional investor market.

—
2021 Deloitte Global Resilience Report



Tenant Satisfaction = Increased Renewals

The link between tenant satisfaction and renewals is undeniable. It directly impacts tenant retention, cost reduction, asset value, and the ability to increase rental rates.

More specifically, gaps between what tenants expect — and what they perceive they get — can threaten the business, brand, and overall investment. So it's essential to identify disconnects between property owners/management and tenants to accurately assess the tenant experience.

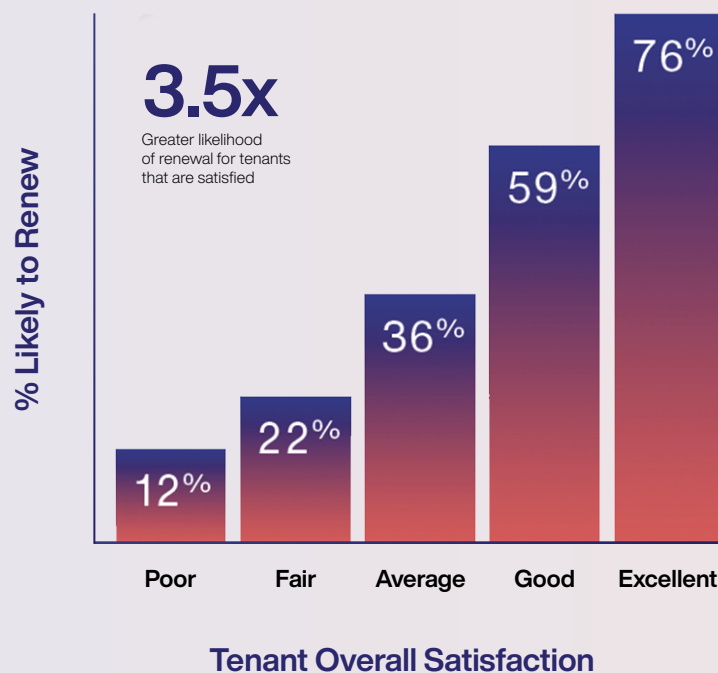
By doing so, you can gain clarity on what needs to be addressed and corrected. So how do you know what commercial tenants want and expect? You need to ask them!

Of course, it's not as easy as just sending an email or picking up the phone. To measure what matters, you must have the right tools to ask the right questions.

The solution: a comprehensive, customizable survey tool that gives you access to advanced analytics, real-time results, and industry-leading benchmarks. Once you identify and track meaningful metrics, you'll be positioned to make targeted and value-added changes.

Bottom line: Dissatisfied tenants are more likely to leave. And because it costs a property owner more money and resources to acquire a new tenant than to keep one, that churn will negatively impact your financial health.

How Does Tenant Satisfaction Impact Renewal?





Behind the Curtain: How To Understand Tenant Mindset

Every commercial property owner is looking to improve operational efficiency and tenant renewals. But if you don't first understand evolving behavioral trends and tenant mindset, it is difficult to know how to properly position a property or company.

Making critical business decisions to address gaps, take advantage of opportunities, differentiate from the competition, contain costs, and more must take into consideration the end-user.

And getting a clear picture of what's going on in the hearts and minds of tenants is best achieved through third-party surveys, which provide an objective snapshot without the inherent bias of self-surveys.

Regardless of portfolio size, below are just a few of the valuable insights you should be capturing:

- **Tenants' current needs and priorities.**
- **Renewal intent.**
- **Likelihood of recommending the commercial property to others.**

Tenant expectations and perceptions don't always mirror corporate's "best-laid plans." So you can save yourself a financial fumble by staying attuned to tenant experience and needs. Some may desire flexible lease options and data transparency, while others will be focused on workspace amenities and available onsite technology. But without a robust survey solution, you likely won't have an accurate process to know what's important and what's not.

To most effectively recognize challenges and vulnerabilities at the asset and portfolio level, start by measuring meaningful data, such as:

- **Tenant engagement and behavior**
- **Operational effectiveness**
- **Property performance**
- **Management team execution**

\$427K

Amount saved by retaining a
10,000 sq. ft. tenant*

Source: Grace Hill KingsleySurveys, 2022





How Employee Surveys Unpack Critical Feedback

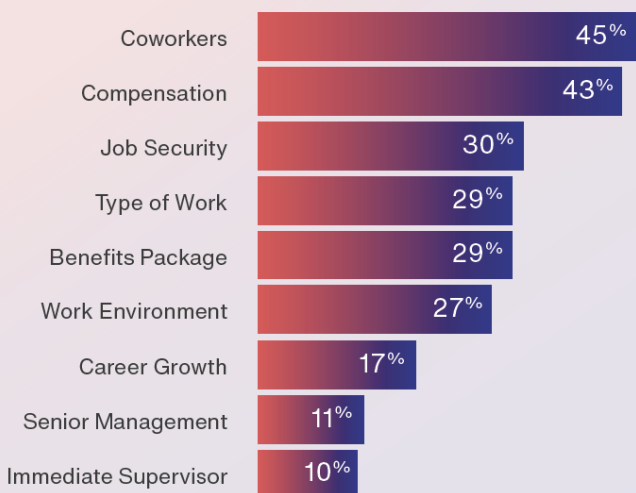
In addition to understanding tenant mindset, it's also essential to gauge employee sentiment — workforce engagement, employee satisfaction, job fulfillment, and more — to help increase productivity and profitability.

When paired with tenant surveys, employee surveys can measure the impact of employee engagement on tenant satisfaction and retention.

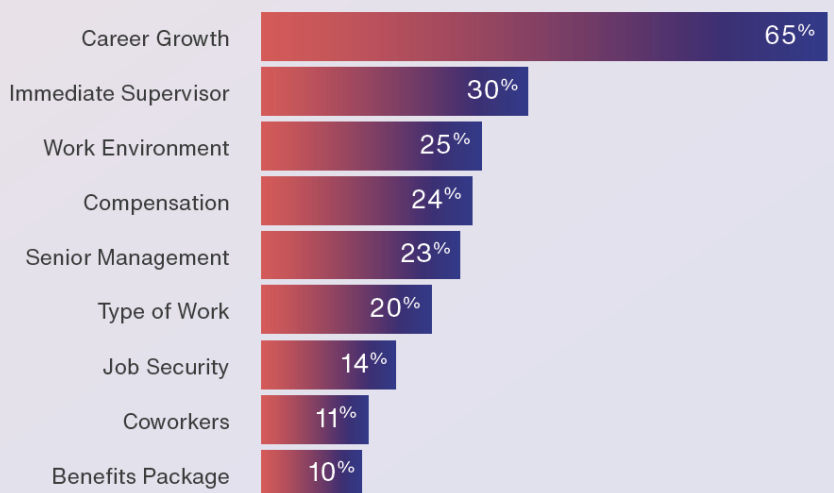
Employee Work Decisions

Employees stay for coworkers and compensation but leave for career growth.

Reasons Employees Stay*



Reasons Employees Voluntarily Leave*



*Source: Grace Hill KingsleySurveys, 2022.



Let Data Drive Decision-Making

You might not realize it, but the simple act of surveying sends a positive message to employees that their opinions are valued.

Today, organizations are challenged with employee retention and often need more insight into how to successfully enable employees to thrive. But the good news is that an organization's responsiveness to employee feedback leads to higher retention rates, lower absenteeism, improved productivity, better customer service, and higher employee morale.*

A robust, tailored employee survey helps companies achieve higher levels of employee engagement, leading to greater productivity and longer employee tenure.

Employee surveys:

- **Gauge productivity, commitment, and loyalty.**
- **Assess perceptions of the company's vision and leadership and career path potential.**
- **Determine the effectiveness of the tools and resources provided to help employees fulfill their responsibilities.**

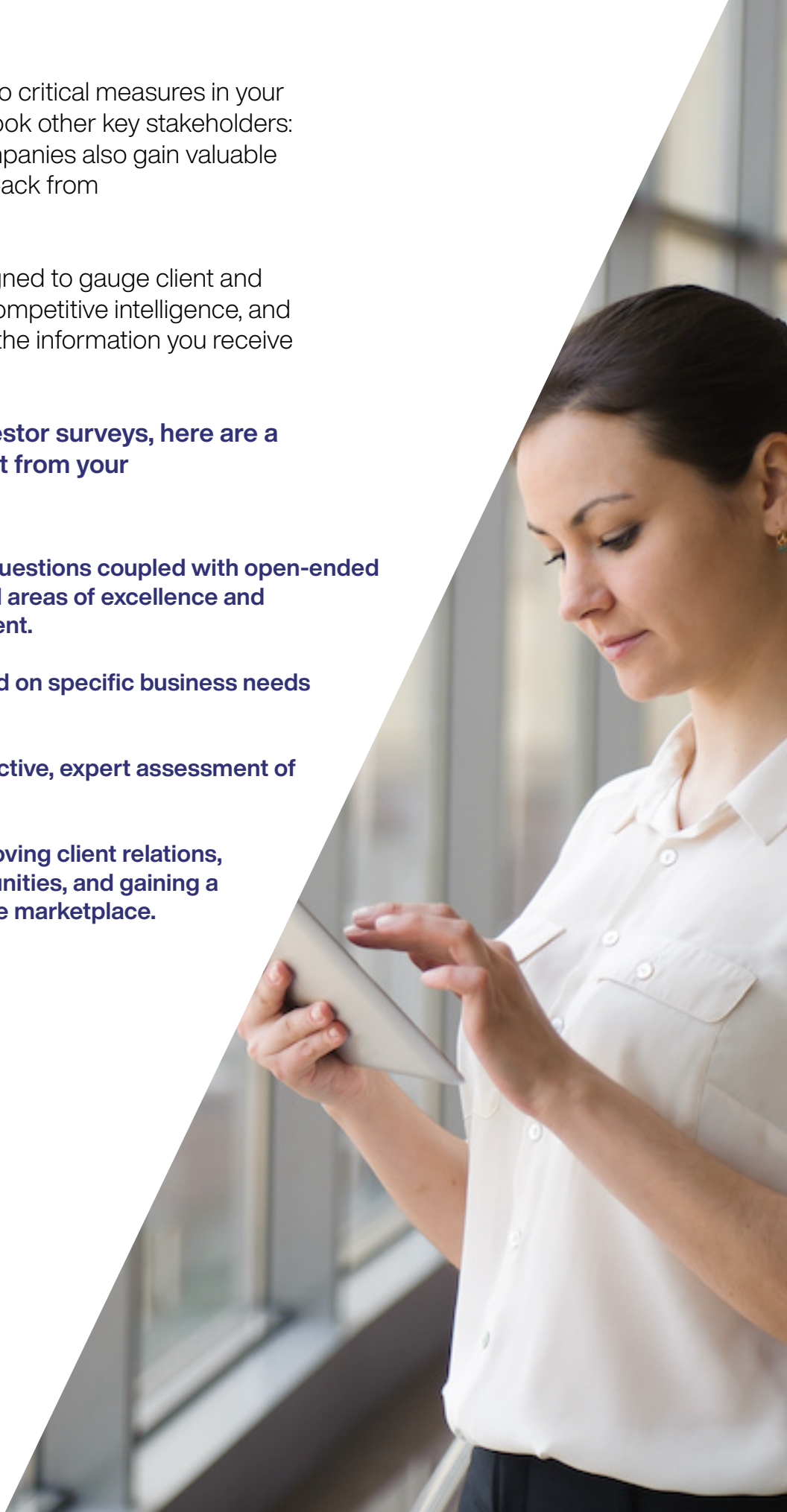
*Society for Human Resource Management

Employees and tenants are two critical measures in your feedback loop, but don't overlook other key stakeholders: clients and investors. CRE companies also gain valuable insights from requesting feedback from this group.

When surveys are rightly designed to gauge client and investor perceptions, gather competitive intelligence, and benchmark to industry peers, the information you receive will be invaluable.

When conducting client/investor surveys, here are a few things you should expect from your survey provider:

- **Standardized, quantitative questions coupled with open-ended questions that further reveal areas of excellence and opportunities for improvement.**
- **Customized questions based on specific business needs and interests.**
- **Results that provide an objective, expert assessment of the client's voice.**
- **Recommendations for improving client relations, increasing business opportunities, and gaining a competitive advantage in the marketplace.**



The Right Solution for a Changing World

Be ready for whatever comes next! Identify, track, and improve key operational areas of performance by engaging directly with your stakeholders to generate valuable data and leverage actionable insights.

The result:

- **Increased tenant retention**
- **Mitigation of risk**
- **Elevated property performance**
- **Increased NOI**
- **Enhanced portfolio value**

With a robust survey solution that truly measures what matters, CRE companies and institutional investors can stay attuned to stakeholder sentiment and employee engagement and identify gaps hindering business performance, investment value, and brand reputation.

Most importantly, you'll be equipped with KPIs and actionable insights needed to make a real difference in the success and performance of your properties, portfolios, and bottom line.





How a Trusted CRE Partner Can Help Increase Asset Value

For a CRE organization to stay competitive, it's essential to have visibility into market trends, tenant perceptions, and insight into future space needs. KingsleySurveys has been a trusted industry leader for more than 35 years, helping organizations like yours capture essential insights and drive asset value.

Commercial investors partner with KingsleySurveys to incorporate real estate strategies that encompass ESG (Environmental, Social, and Governance) goals. In many cases, the GRESB (Global Real Estate Sustainability Benchmark) reporting has helped maximize how they claim value across their portfolios.

To drive improvements, you need data with relevant benchmarks. The KingsleySurveys portal delivers real-time results and reporting capabilities with benchmarks specific to various sectors, including office, industrial, medical, and retail. With the ability to compare your data to your peers, you'll know how to make the biggest impact to your bottom line.

KingsleySurveys' seasoned team of experts provides support at every project phase to ensure alignment with company goals.

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Many leading firms utilize Grace Hill's KingsleySurveys to satisfy the customer and employee feedback elements of GRESB reporting. Grace Hill is a longstanding GRESB Partner member, and their survey and benchmarking tools are highly effective to advancing ESG initiatives at all levels of a real estate firm.”

—
Dan Winters, CRE Head of Americas

**Talk to a CRE expert today to measure what matters
and turn your data into actionable insights!**