



Turning Insights Into Action

Pandemics. Terrorist attacks. Economic recessions. Political divisiveness. Did we mention pandemics?

No matter what's happening in the world around us, some things will never change. In the commercial real estate business, it will always be valuable to have visibility into what's happening with your tenants, employees, clients, and investors.

In fact, the more things change for our economy, 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.

Despite shifting preferences for remote work, commercial real estate is still in demand, and this demand is expected to increase. In a recent market research report by IBISWorld on the U.S. commercial real estate industry, there is a growing need for industry services such as development consulting, commercial leasing, and brokerage and property management, which likely will 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 their operations to proactively meet dynamic business needs and requirements. It's important to recognize that the business decisions made now will determine whether their company can thrive in the future.

Commercial real estate owners, operators, and investors need to have their fingers on the pulse of future tenant expectations and needs; this goes for office, industrial, medical office, and retail alike. According to a recent *Deloitte Insights Resilience Report*, for investment management companies working in the institutional investor market, data that helps ensure market value and appeal of their CRE assets is paramount.

Focus on the Tenant Experience

CRE technology has historically been developed and used to help acquire more tenants. However, more CRE companies have recently recognized the need to utilize tech to help boost what happens **after** the tenant signs on the dotted line.

Today, CRE operators are following the lead of big consumer brands by realizing that to succeed in keeping customers and tenants engaged and loyal, they need to focus on understanding the tenant experience. The more satisfied tenants are, the more you can expect increased renewals, healthy financials, and a robust prospect pipeline.

To achieve this, CRE executives need to understand evolving behavioral trends and tenant expectations. Some may respond to more flexible lease options and data transparency, while others will be focused on how their workspace is used and what amenities and technology are available on site.

To most effectively recognize challenges and vulnerabilities at the asset and portfolio level, it's best to start with meaningful data that measures aspects such as tenant engagement and behavior, operational effectiveness, property performance, and management team execution.

For any CRE company to stay competitive today, it's essential to have visibility into market trends, know what's important to incoming and existing tenants, understand how tenants and occupiers perceive the market, and have current insight into what drives their decision-making regarding space needs.

Creating a meaningful tenant experience is critical to all CRE companies: REITs, owner/operators, investment/fund managers, developers, and property management and leasing firms.

Grace Hill's Commercial Solution

Powerful Tools to Identify, Track, and Improve Operational Performance

KingsleySurveys + KingsleyIndex™

Gauge perceptions and get actionable insights from comprehensive tenant, employee, and client surveys

PolicyPartner

Expert consultation for developing customized policies and procedures

VISION

Superior learning management for enhanced professional development

The Satisfaction/Renewal Connection

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.

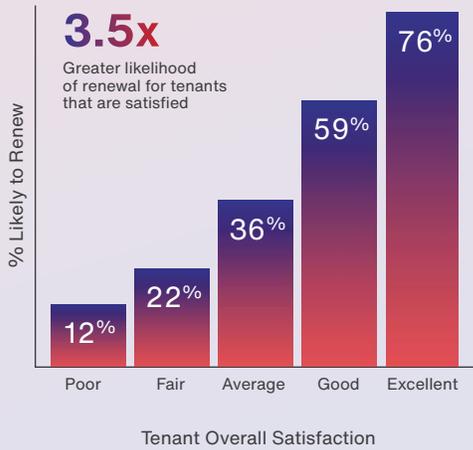
In back-testing conducted by KingsleySurveys, client renewal intentions revealed in survey responses are highly predictive: 75%-80% of tenants who indicated they are "likely to renew" actually did so.

Bottom line: If tenants are not satisfied, they're more likely to leave. It costs a property owner more money and resources to acquire a new tenant than it does to keep one for an extended period.

More specifically, gaps between what tenants expect — and what they perceive they get — can pose a threat to the business, brand, and overall investment.

It's essential to identify disconnects between property owners/management and tenants to get an accurate assessment of the tenant experience and ultimately attain clarity on what needs to be addressed and corrected.

How Does Tenant Satisfaction Impact Renewal?



This applies to the gamut of CRE stakeholders. Companies using third-party managers need to ensure the focus is on tenant needs. For companies with in-house property management, it's important to establish that property management teams are focused on delivering to tenant needs. Finally, for institutional investment managers, it is imperative that management and leasing teams are delivering the level of service tenants expect.



How Do You Measure Tenant Satisfaction?

So what do commercial tenants want and expect? Just ask them.

Of course, it's not as easy as just sending an email or picking up the phone. A lot goes into uncovering accurate and actionable insights into the tenant experience. That's where Grace Hill's KingsleySurveys comes in.

Through comprehensive survey tools, advanced analytics, real-time results, and industry-leading benchmarking, KingsleySurveys enables companies to identify, track, and move forward with actionable insights to make measurable improvements to their business.

The KingsleySurveys features and tools within Grace Hill's Commercial Survey Solutions include tenant surveys, employee surveys, and client/investor surveys.

Tenant Surveys

Without understanding tenant mindset, it is difficult to know how to position a property or company in the current pandemic-impacted environment, address gaps, take advantage of opportunities, differentiate from the competition, and contain costs that can come from operational efficiencies and tenant renewals.

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 of what's happening without the inherent bias that can come with self-surveys.

As a trusted partner to the world's leading CRE organizations for over 30 years, KingsleySurveys offer insights into key topics such as tenants' current needs and priorities, renewal intent, and the likelihood of recommending the commercial property to others. These insights are always relevant and valuable, regardless of the size of your portfolio.

The data-rich Kingsley portal is derived from the largest commercial real estate performance database, with benchmarks specific to the office, industrial, medical office, and retail

sectors. The portal delivers real-time results and advanced reporting capabilities, including push and pull reporting and email digests, along with a website and mobile app for convenient access. It's all accessible on any platform or device.

KingsleySurveys' seasoned team of experts is ready to provide support at every project phase to ensure alignment with company goals. For clients with customized tenant surveys, a dedicated project manager is assigned to help with program facilitation from start to finish.

In addition, commercial investors are finding significant value in incorporating real estate strategies that encompass ESG (Environmental, Social, and Governance) goals. In many cases, they have used GRESB (Global Real Estate Sustainability Benchmark) reporting to maximize how they claim value across their portfolios.

“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

Beyond the Tenant Experience

The KingsleySurveys features and tools within Grace Hill's Commercial Survey Solution also include employee surveys and client/investor surveys.

Employee Surveys

According to the Society for Human Resource Management (SHRM), an organization's responsiveness to employee feedback leads to higher retention rates, lower absenteeism, improved productivity, better customer service and higher employee morale. Just the act of conducting the survey in the first place sends a positive message to employees that their opinions are valued.

Today more than ever, organizations are challenged with employee retention and often lack insight into how to successfully enable employees to thrive.

KingsleySurveys offers employee surveys developed to help companies achieve higher levels of employee engagement, leading to greater productivity and longer employee tenure. These surveys gauge employee productivity,

commitment, and loyalty and assess employee perceptions of the company's vision and leadership, career path potential, and the effectiveness of the tools and resources provided to help each employee fulfill their responsibilities. Results are compared to proprietary KingsleyIndex™ benchmarks, providing actionable insights to create the environment most conducive to employee engagement, happiness, and success.

Client/Investor Surveys

While needing to measure and understand tenant sentiment and drive employee engagement, CRE companies also gain valuable insights from client feedback.

KingsleySurveys delivers customized surveys designed to gauge client and investor perceptions, gather competitive intelligence, and benchmark to industry peers. These surveys typically include standardized, quantitative questions coupled with open-ended questions that further reveal areas of excellence and opportunities for improvement. The program also has the option to customize questions based on

Benchmarking Client/Investor Sentiment via the KingsleyIndex™

In its Client/Investor studies, KingsleySurveys assesses critical operational performance areas, including:

- Personnel
- Client Service
- Communication
- Research
- Reporting
- Asset Management
- Risk Management
- Fees
- NPS™

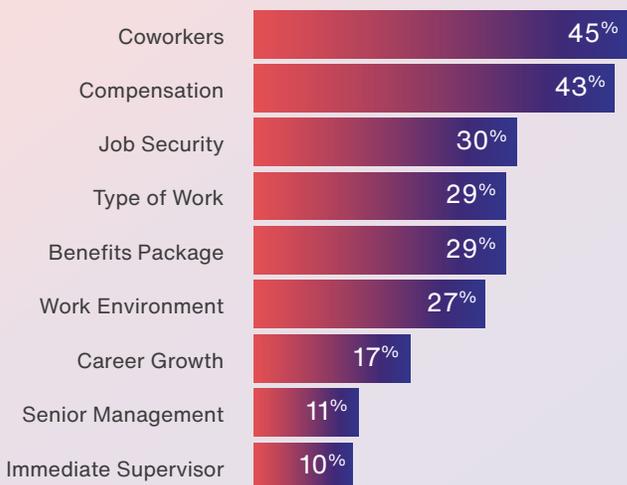
specific business needs and interests.

Results provide an objective, expert assessment of the client's voice, as well as recommendations for improving client relations, increasing business opportunities, and gaining a competitive advantage in the marketplace.

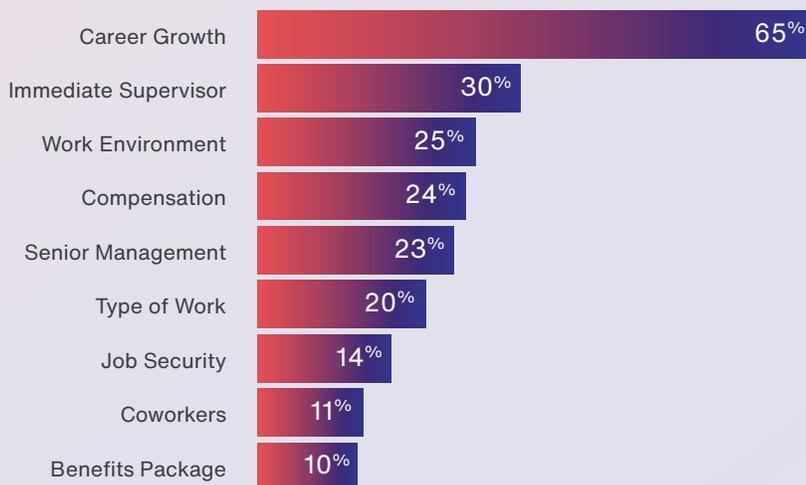
Employee Work Decisions

Employees stay for co-workers and compensation but leave for career growth

Reasons Employees Stay



Reasons Employees Voluntarily Leave



Benchmarking and Analytics

Part of Grace Hill's Commercial Survey Solution offering, KingsleyIndex™, is the industry's largest, most comprehensive benchmarking database, and it is used to level-set, compare, and track your property/portfolio performance against the industry.

The robust database was built from 30 years of measuring tenant, employee, and investor satisfaction and analyzing the performance of industry leaders. Benchmarking via the KingsleyIndex™ allows clients to translate performance metrics into actionable intelligence.

The KingsleyIndex™: Benchmark Performance Versus the Industry



Property

Office
Industrial
Retail
MOB



Geography

Country
Market
Region



Property Class

Class A
Class B
Class C



Data Relevance

Recent date from
within the past
24 months

Policy Management

Policies and procedures provide an indispensable roadmap for business operations. Without clearly articulated policies, your business may suffer as employees try to make decisions using their best guess or relying on outdated information.

A robust policy management system takes the guesswork out of operational decisions, with less time wasted looking for answers and fixing mistakes.

Modern digital policy management systems like Grace Hill's PolicyPartner offer powerful and easy-to-use tools for creating, managing, and distributing effective policies that strengthen operations, reduce liability risk, and improve people and property performance.

PolicyPartner delivers four key cost-effective benefits to CRE companies:

Efficiency: Reduces administrative burden and chances of human error by maintaining one source of policy information that is always current and easy to maintain and distribute to employees.

Customer Experience: Delivers a standardized customer experience that creates loyalty and retention because team members across all your properties are tuned in to the same set of online policy manuals.

Employee Performance: Protects against employee turnover costs by giving employees the foundation to make fact-based decisions without worrying about missteps; increases employee empowerment, fulfillment, and retention.

Risk Mitigation: Provides the assurance of up-to-date policies and procedures, reducing operational, safety, or regulatory risks.

This valuable platform provides more than 745 policies across subject areas ranging from marketing, accounting, and management to leasing, commercial, and operations, as well as

expert consultation to tailor policies and procedures to meet the specific needs of properties and portfolios.

The Right Solution for a Changing World

Be ready for what's next with Grace Hill's Commercial Survey Solution. Identify, track, and improve key operational areas of performance by engaging directly with your stakeholders, to generate valuable data and actionable insights. As a result, customers realize a significant set of business outcomes, such as:

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

This advanced solution means CRE companies and institutional investors can not only stay attuned to stakeholder sentiment and employee engagement but also identify gaps that can hinder business performance, CRE investment value, and brand reputation.

To add to the solution, Grace's Hill's Learning Management System, Vision, will be available soon to supply superior learning management for enhanced professional development in the commercial sector.

Through these comprehensive survey tools, advanced analytics, real-time results, industry-leading benchmarking, and cloud-based policy management, companies can more effectively mitigate risk and identify, track, and be equipped with KPIs and actionable insights needed to make a real difference in the success and performance of their properties, portfolios, and bottom line.

For more information on the Grace Hill Commercial Survey Solution suite and KingsleySurveys, call **(866) 472-2344** or email jfalco@gracehill.com.