The Data Difference

How landlords and property teams can use data and insights to improve the workplace experience.

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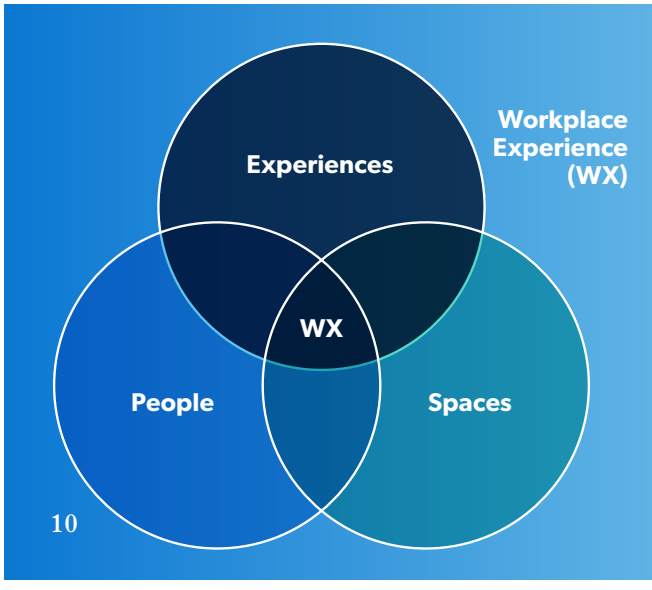
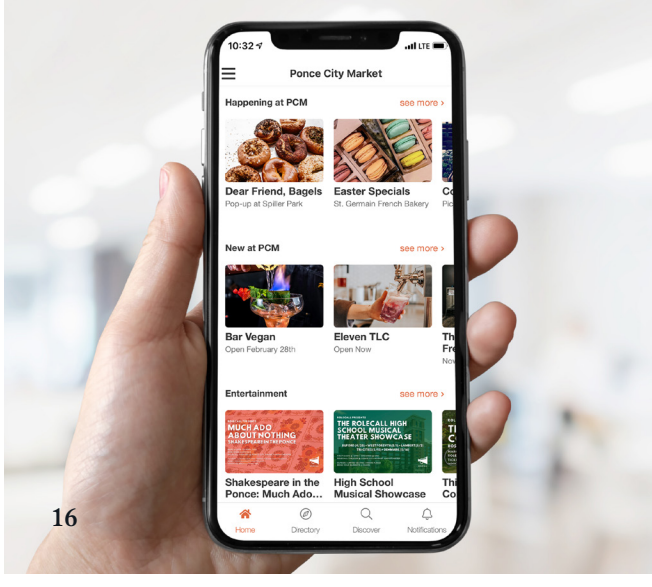




Chapter 1

Introduction

The State of the CRE Market

Research shows that data-driven decision-making in the workplace can help businesses weather uncertainty and increase profitability under a variety of different market conditions. In the commercial real estate (CRE) sector in particular, detailed and accurate data on tenant behavior and preferences can help landlords tailor their retention strategies, invest with confidence, and make smarter business decisions that can increase a building's net operating income (NOI). And yet, according to a report from KPMG, only 28% of major CRE companies actively use data to improve the workplace experience. This means that many in the CRE space are missing out on ways to optimize their businesses and differentiate themselves in an ever-competitive landscape.

In the face of a constantly changing global market, hunch-based decision-making carries significant risk. As a result, accurate, real-time information on tenant behaviors and preferences is quickly becoming a necessity for forward-thinking CRE companies.

In this guide, we'll look at some of the ways landlords can utilize data to improve the workplace experience. When landlords and property teams have access to meaningful insights on space utilization, tenant sentiment, space usage, and more, they are able to better understand how their building spaces are being used, and how tenants are (or are not) engaging with various building amenities and services. This data can help landlords make better decisions that boost NOI in a time of uncertainty.

Let's begin.

Chapter 2

The Growing Need for Workplace Data

The Slow Return to the Office

While workers in Europe and North America have resumed many of their pre-pandemic activities, they have not returned to the office as quickly or as widely as many in the CRE sector had hoped. HqO's *State of Workplace Experience (WX)* report finds, for example, that fewer than 50% of surveyed landlords are currently operating buildings with greater than 75% occupancy. The Kastle Back to Work Barometer corroborates this data, estimating that occupancy in US major cities is at about 38% — way down from pre-pandemic highs, which were close to 100%.

Still, this does not mean that the physical office is going away — far from it. In that same HqO report, for example, 52% of employers surveyed either strongly agree or agree with the sentiment that companies are more likely to succeed when employees spend more time in the office. Likewise, 92% of employers state that retaining office space is very important or important to maximizing employee productivity, while 90% state that it's important for improving employee satisfaction, and 88% state that it's important for encouraging collaboration. Rather than doing away with the office, the report suggests that employers and landlords alike are working to adapt their in-office strategies to the needs of the present moment.

Learning to Operate in a World of Constant Change

> *"The modern office is really about creating a place where people want to come into work every day. Traditionally, property management has been focused on the building backbones and budgets. Now, we are seeing a whole other side involving people and experiences. Part of the evolution is [...] being able to ask tenants what they want instead of guessing. When you know what people want, it is a lot easier to deliver."*
>
> **— Jacinda Lofland, Director of Strategy and Innovation at Nuveen Real Estate**

According to the Federal Reserve of Atlanta, the CRE sector has entered an extended period of what it calls "certain uncertainty," which is driven by higher-than-healthy inflation, a chaotic labor market, and generally elevated levels of economic uncertainty (in fact, global economic uncertainty was higher in March 2022 than it was at any point during the financial crisis of 2007-08). Moreover, in the face of endemic COVID-19, landlords and others in the CRE space have begun to accept the idea that rapid change and elevated levels of uncertainty may themselves be endemic to the market; "the future," as the *Harvard Business Review* says, "will not be more stable or certain" than the past.

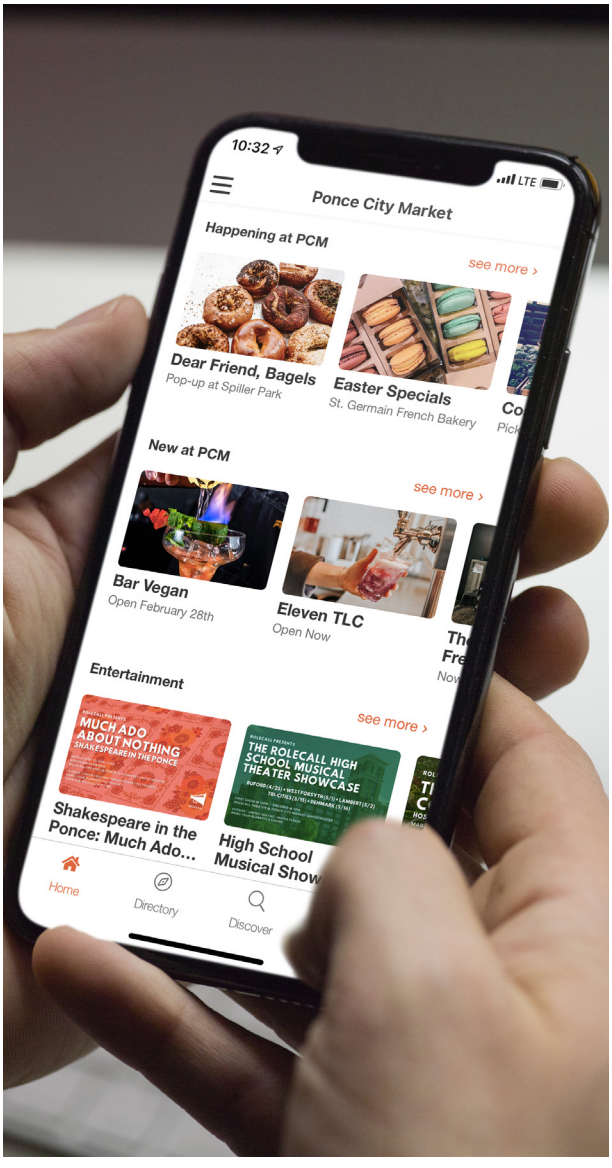
Over the past few years, CRE companies and property teams have proven themselves to be remarkably adept at navigating the many unprecedented challenges posed by the pandemic. Still, as landlords continue to adjust to a new economic environment — a "new normal" — that is defined by constant change, many have recognized the need to become much more fluid in their business practices, both with regard to *how they communicate with their tenants, and with regard to how they understand tenant needs and behaviors*.

Still, even in this period of constant change, research indicates that landlords are not communicating often enough with their tenants. According to the *State of Workplace Experience* report, for example, 72% of those surveyed say that they communicated with their tenant point of contact either only occasionally, or — in 12% of total cases — not at all. This points to a significant discrepancy at the heart of the report: while 88% of landlords surveyed say that they believe data on tenant preferences is important to their overall business strategies, very few of them are gathering in a proactive way, and communicating with their tenants with adequate frequency.

Some of this discrepancy may be attributable to the continued use of the annual survey — a popular tool in the CRE space – which is used (or will soon be used) by 96% of those surveyed in the report. Still, while almost all respondents report using the survey as a method of communication and data collection, the report also finds that a majority of landlords are looking to collect more meaningful data on the workplace experience. This suggests that many landlords may now be dissatisfied with the kind of data that the annual survey is able to produce.

It's clear to see how the annual survey can't keep up with today's rapid pace of change. Because it is only given annually, the survey is necessarily unable to track changing tenant needs over the course of the year, and instead can only measure preferences at a single moment in time. This makes it impossible for landlords to address the concerns of tenants in a proactive manner, before they come to a head, and perhaps result in lost revenue.

Moreover, because the survey generally only goes out to a small number of key contacts within a building, it may not generate comprehensive and timely data on the tenant experience, since it is rarely distributed to a large enough group of tenant employees. The survey also generally fails to measure space utilization and is unable to separate tenant sentiment (how tenants feel about their building) from actual tenant behavior. For these and other reasons, many in the CRE space are now looking to supplement the use of annual surveys with more current and meaningful data on the tenant experience. The good news for landlords and property teams is that these new methods of data collection already exist, and are well within their reach.



Right: Having a workplace experience app can help landlords collect meaningful workplace data.

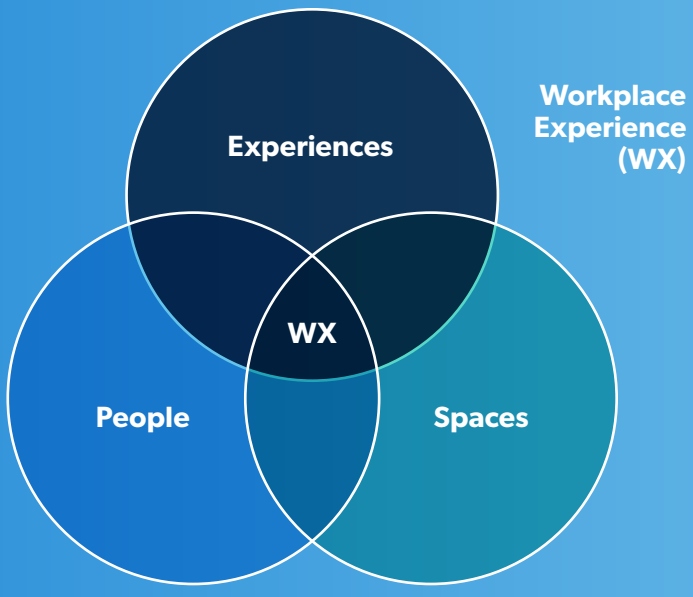
Chapter 3

Going Beyond Annual Surveys

Experiences
- » Content engagement
- » Order ahead transaction volume overall and by company/restaurant
- » Events & deals engagement

People
- » Tenant engagement
- » Overall satisfaction
- » Visitor counts overall and by tenant

Spaces
- » Overall satisfaction with the space
- » Tenant priorities
- » Amenity satisfaction
- » Space utilization
- » Average property rating over time



Measuring Tenant Sentiment and Usage

> *"Building shuttle data helped us determine that our shuttles were running at full capacity and that we might need to consider upscaling. Similarly, tenant engagement data has helped us understand the type of events and services tenants like the most, and plan more throughout the year."*
>
> **— Michael Dekrmnjian, former Property Manager at Jamestown**

One of the primary reasons why landlords are complementing the use of an annual survey with ongoing pulse surveys and polls is that the annual survey does not measure and compare tenant sentiment to tenant space and amenity usage in real-time. Access to real-time — as opposed to annual – data on tenant preferences and behaviors is a hugely valuable tool that, when harnessed correctly, can directly boost NOI for CRE companies. If there is a discrepancy, for example, between what tenants say they want (sentiment) and the space and amenities they actually use (usage) throughout the year, landlords can easily harness this information to make decisions that improve tenant satisfaction and increase NOI.

Data, in other words, can sometimes understand tenant needs better than tenants do themselves. By gathering and analyzing more meaningful data on the tenant experience, landlords have the opportunity to act on any discrepancies that may exist between usage and sentiment.

But this isn't the only benefit of tracking these two important metrics. Understanding them (and observing any discrepancies) also eliminates the guesswork that property teams generally have to do when they work to tailor their investment strategies in order to make the most efficient use of available capital. When property teams and companies have a fuller understanding of what's happening at their properties, they are in a much better position to make smart, data-driven investment decisions that increase tenant satisfaction, make optimal use of available capital, and boost NOI. These are possibilities that the annual survey simply does not (and cannot) provide.

Key Data Points for Sentiment and Usage

In order to better understand the benefits of measuring tenant sentiment and usage, it can help to understand the specific metrics that CRE companies and property teams need to access in to track these big-picture values. These metrics include:

Visitor Data:

» Data collected: How many visitors do tenants have at a given time?

» Action item/insight: Landlords can understand how each tenant's visitor counts are changing day-to-day.

Space Utilization:

» Data collected: Which spaces are or are not being used and desired? When are they being used, and by which tenants?

» Action item/insight: Allows landlords to focus investments on the most popular spaces and align staffing to usage. Use the data to show how the building is delivering value to tenants during periodic tenant meetings.

	High Usage	Low Usage
High Sentiment	Celebrate success and consider expansion	Promote to new users
Low Sentiment	Plan to improve	Discontinue

Service and Amenity Utilization:

» Data collected: Which amenities are or are not being used and desired? When are they being used, and by which tenants?

» Action item/insight: Landlords can expand the scope of popular amenities while reducing spending on amenities that aren't being utilized.

Engagement:

» Data collected: Activation rate, and the number of new and active users.

» Action item/insight: Landlords can figure out which tenants are using mobile tenant apps the most, and which need additional education and promotion.

By gathering information on these data points, landlords gain a much more complete, higher-level picture of activity across their portfolios. But the picture that landlords get from this data isn't just macro-level. When collected across an entire portfolio, CRE companies are able to drill down to the micro-level in order to gain a deep understanding of what's happening at each of their properties, and with each of their tenants. Measuring tenant sentiment and usage in real-time allows landlords to gain a fuller, more comprehensive picture of what might be happening at their properties.

In the next section, we go over how landlords and property teams can access these metrics (and more).

Left: Recommended actions based on usage and sentiment.

Enhancing the Workplace With Data Analytics

Cawley Partners is a full-service commercial real estate (CRE) company that builds value through acquiring, developing, managing, and leasing commercial properties. To understand more about how they innovate across their entire portfolio, we sat down with Jordan Nan. Jordan is a Tenant and Employee Relations Manager at Cawley Partners. Before coming to Cawley, she worked for CBRE as a Real Estate Services Administrator. She is based in Dallas, TX.

Above: Outdoor amenities at Cawley's The Offices at Heritage Gardens.

Why is the workplace experience important to Cawley Partners?

Cawley's emphasis on the workplace experience is really a huge part of our success and it's something that has set us apart in the industry. Bringing in the HqO app to our buildings has helped with that. Obviously, we do keep in contact with our tenants, but HqO has been able to help us keep in contact with many other tenants beyond our main contacts. Because everyone has the app, it's really helped us expand our tenant contact base. Now, we're really able to reach out to more people, grow relationships that we've already had, start new relationships, and keep our tenants up to speed on what's going on. If we're not in the office or they're not in the office, it's really helped us reach out and stay involved with our tenant base.

How has your approach to workplace experience changed over the course of the pandemic?

We manage office buildings, which, before the pandemic, were pretty much 100% full of tenants. Obviously, that changed with the start of the pandemic, when we were all home for a little bit. And then, after a while, when things became a little bit more stable and people started to return to the office, we saw that some tenants were staying out

longer. Now, several years into the pandemic, we see that some of those tenants have yet to return at all, and a large number of our tenants have given their employees the option to come in or stay at home. One of the big issues there is that, before the pandemic, we were used to communicating in-person with our tenants, having in-person meetings, and having in-person tenant events and parties. Obviously, some of that isn't possible now.

That's one of the places where workplace experience strategies and technology come in for us. We've been able to use our HqO platform as a way to bridge the communications gap that emerges as a result of hybrid work. I help with planning events, for example, so on my side of things, obviously communication is really important. We also use the app to put out our monthly newsletters, so tenants that are not sitting in the office can see what's going on at their building specifically. Modern tools have really helped us pivot all of those in-person options and make them accessible to people that are working from home.

How has data from the app helped you tailor your business strategies during this difficult period?

With data from the app, we can measure engagement a lot better, and we can see which tenant companies are more or less engaged with the property than others. As a company, that allows us to determine which tenant bases are or are not engaging with the property, which is important for us to know, because that helps us figure out where we might need to work on building those relationships. You can curtail and focus on what you need to look at. It gives you a much better picture, and we're really paying attention to that on our end.

Do you have any specific data points that have been particularly useful?

I think what we've noticed recently is that it's really important to focus on what's not working — and then, as an organization, we have to figure out why it's not working. The app's been useful with that, because it gives us lots of data on utilization, which allows us to be smart with our business decisions. We can figure out, for example, whether or not we're putting our budget items towards the most effective things. At every building, we have a fun budget every month to use, but the app lets us see that, maybe in a certain building, we shouldn't be using it for trivia. Maybe we should be using it for something else.

Even though our properties are all pretty close to each other in terms of geography, they are all so different in terms of what they need for success. That's why it's so important to have hard data on their needs and wants. With that information, we can actually meet those unique needs and wants at each individual property.

That's so interesting. How does this data-driven approach differ from the ways you've operated in the past?

Historically, in tenant relations positions, you've really just dealt with one person in every tenant company, which is another reason why workplace experience technology is useful for us: when you introduce an app to a building, it adds a lot more tenant base to the equation, which means that you're suddenly hearing from a lot more people than you otherwise would have. So, using the app to communicate has really helped us because we're now reaching a much broader group of people. With this new technology, more people are aware of what's going on in their building and more people are getting involved, just because we're using technology to connect.

Let's face it: everybody's on their phone all the time, and if you're seeing notifications on your phone, you're much more likely to engage. We've figured out that it's a much more personal way to get tenants involved. The app gives tenants the ability to feel like they're in charge, and now they know what's going on at their own property, which has been great.

We've talked a lot about technology and data, but I'm curious: what other workplace trends have you seen pushing the industry forward?

I think that the biggest workplace trend we're going to see is that a lot of tenant employees are going to keep staying home at least some of the time. Many employees have been given that option by their employers, and, as a result, are probably going to stop coming in every day, if they haven't already. So, as a company, we have to figure out how we're going to operate in that environment. How, for example, do we keep in contact with employees who aren't coming in all the time? And how do we keep them engaged with their office? I think technology is the only answer to that question.

Absolutely, that makes a lot of sense. Thinking even further into the future, what would you say that the future of the office is going to look like in the next five to ten years, based on your experience?

Well, I'm no expert, but what I'm noticing is that employees and individuals are taking a little bit more control and ownership of their roles. Whether it's a contract that says you can work from home — or, otherwise, one that spells out how many hours a year you can work from home — I think employees are being more competitive about sticking up for themselves, and they're demanding a little bit more. Since things are changing so frequently, everyone has to remain nimble and well-prepared. That's why technology is so critical to success in the workplace; it will inform you of all your tenants' needs, whether they're in the office or at home.

To learn more about Cawley partners, visit their website at https://www.cawleypartners.com/.

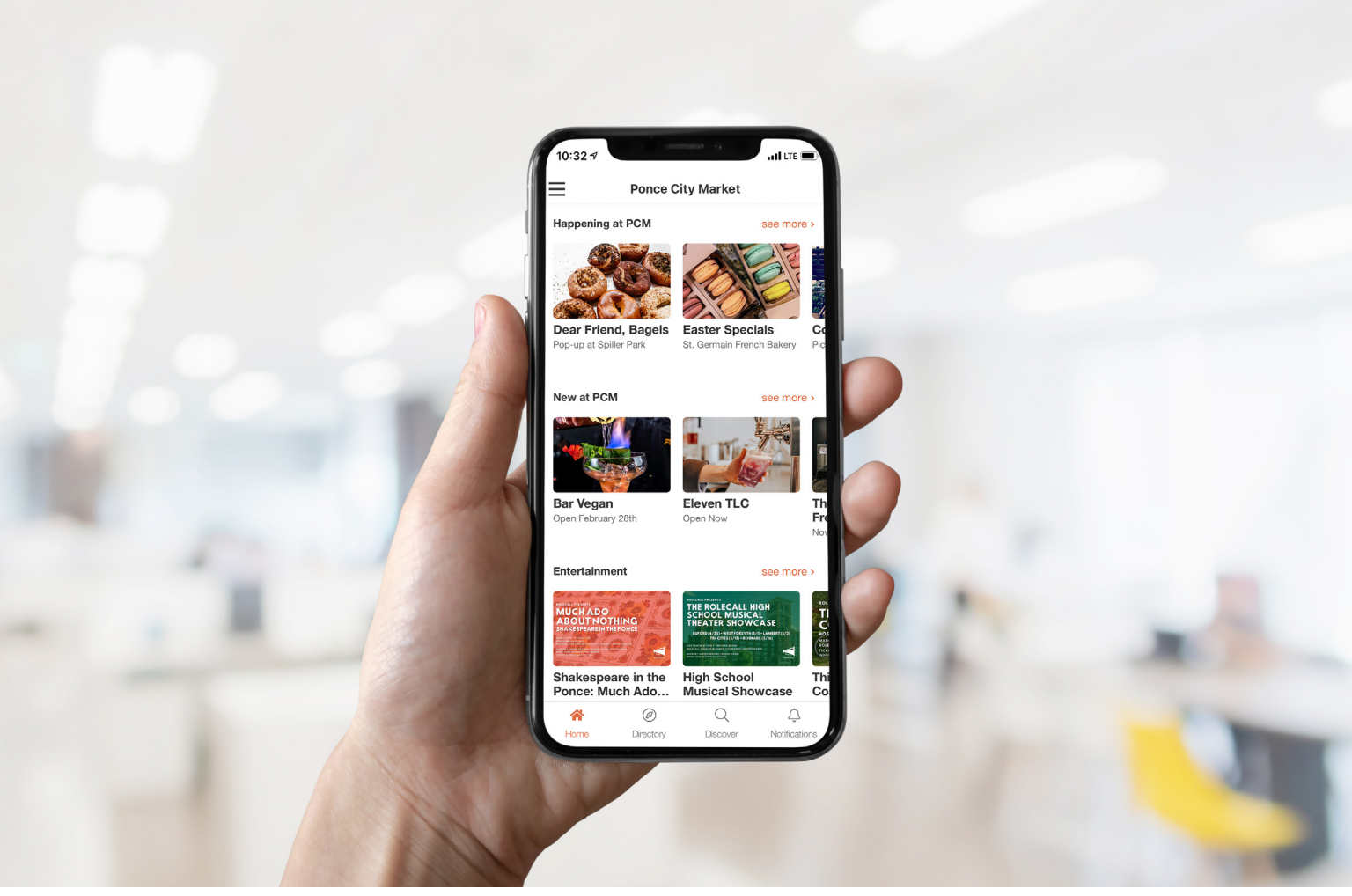
Top:
Community programming at Cawley's The Inwood at Alpha West.

Above:
Cawley's Tate + Toll property in Frisco, TX. Coming soon.

Left:
Outdoor amenities in use at The Inwood at Alpha West.

Chapter 4

Using Technology to Gather Workplace Data



Gathering Data with a Building Mobile App

> *"We have seen how useful [workplace experience technology] is to gain more insight into the tenants. We're able to receive feedback through HqO, which in return helps us better serve our tenants."*
>
> **— Scott Kelly, Regional Director of Asset Management at Intercontinental Real Estate Corporation**

In a response to the growing need for data on the tenant experience, a large majority of respondents (76%) surveyed in the *State of Workplace Experience* report said that they already collect (or are looking to collect) building mobile app data. This finding from the report shows that landlords have largely recognized the need to utilize new technology that is capable of collecting all tenant engagement data in one place, thus providing a complete, consistent picture of asset activity in real-time.

As the report demonstrates, this technology is quickly becoming crucial to landlords in an uncertain market, both because it circumvents the shortcomings of traditional point-in-time annual surveys and because it provides automated, real-time information on tenant preferences and behaviors, which allows landlords to draft nimble strategies that can easily meet the rapidly shifting demands of the market.

Key Data Points Provided by a Building Mobile App

When landlords decide to implement a building app at one of their properties, tenant employees download the apps on their mobile devices, and — from that point on — use the app to gain access to physical spaces, engage with amenities, order food from local partners, and so on. Importantly for landlords, all of this activity generates data, which — as we've said — is valuable to CRE companies and property teams that are looking to improve the tenant experience, tailor investment decisions, and boost NOI across their portfolios.

In order to better understand the value that a building mobile app brings to a property or portfolio, however, it's important to first have a firm understanding of the various kinds of data it generates.

The HqO app, for example, provides landlords with real-time, automated data on four different areas relevant to the tenant experience: ***spaces*** (space overview, space usage, and resources booking); ***people*** (building population, occupant engagement, and tenant company preferences); ***experiences*** (amenities and experience usage, programming data); and ***tenant feedback***, which encompasses a wide variety of areas. Below, find a more in-depth overview of each of these data points, and the different kinds of value they generate:

Spaces

Overview

- Comprehensive overview of space offerings
- Macro- and micro-level view: look at all buildings across a portfolio, or limit search to specific buildings

Usage

- Track usage of physical and digital amenities in real-time
- View visitor data in order to understand who is in your building(s) and when
- Understand how often and when tenants are interacting with building technology

Resource Booking

- View total reservation requests for building spaces (and contrast this with number of accepted requests)
- Determine which tenant resources and spaces are most popular in order to tailor future resource investment strategies

People

Building Population

- See an overview of tenant company size and sector
- See an overview of location, leaseable area and lease status.
- Review "connection scores" to track overall platform adoption and engagement by tenant in order to improve tenant satisfaction

Occupant Engagement

- View tenant usage over any time period
- View total users and most engaged tenants in order to guide decisions on increasing tenant engagement

Tenant Company Preferences

» View physical and digital engagement for individual tenants in order to create tailored engagement strategies

Experiences

Amenities and Experience

» Categorize/centralize all building amenities across your portfolio

» Compare your offerings to industry standards

» Tailor your amenities and building experiences to fit the needs of individual tenants

» Boost tenant satisfaction and increase NOI by tailoring experiences to fit specific needs of tenant companies

Programming

» Discover what digital content, events, and deals are most popular with tenants

» Tailor programming to meet the desires of each tenant company

Order Ahead

» Because tenant employees order food through the app, landlords can see where tenants like to eat, and concoct deals or promotional events that cater to those preferences, increasing tenant satisfaction

Tenant Feedback

Overall Property Rating

» Are your tenants satisfied with the property, in general?

» Allows landlords to confront any tenant dissatisfaction proactively, before issues come to a head

Most Important Amenities

» Which amenities are most utilized? Which are least utilized? Where should you invest your resources so that they generate the maximum value?

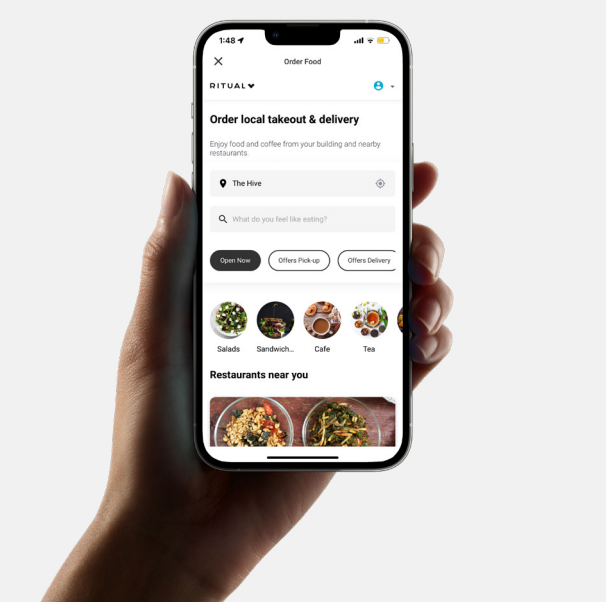
Tenant Satisfaction with Amenities

» Are tenants generally satisfied with amenities? Would they like to see changes? If so, where, and to what?

Custom and Open-Ended feedback

» Communicate specific concerns or questions to tenants in order to generate building- and/or portfolio -specific feedback

These many functionalities can give landlords a wealth of data that they can use to make smarter business decisions. Still, while the data by a building mobile app is aggregated and anonymous, tenants and landlords alike need to make sure that their data is protected. In order to ensure the full security of tenant data, landlords and property teams need to work with a vendor that has attained the rigorous SOC-2 and ISO certifications for data privacy, which demonstrate a deep, institutional commitment to privacy. HqO has achieved these integrations since 2021.



Chapter 5

Keeping Pace With the Market

Increased Use of Mobile App Data

According to the *State of Workplace Experience* report, a majority of landlords are currently looking to use data from a building app to better tailor their business decisions, indicating that the market is now moving rapidly towards greater integrations and the use of more meaningful data. In order to keep pace with the market, landlords must act quickly, or, otherwise, run the risk of falling behind.

Broadly speaking, HqO's research delineates three groups of companies with regards to the use of data analytics in the CRE space: (1) those who have already made the shift toward more meaningful data analytics are leaders in the market; (2) those who are currently looking to make the shift are running par for the course; (3) those who have no plans to make the shift are now at risk of being left behind.

Using HqO to Gather Workplace Data

> *"Listening to our clients and working with HqO has enabled us to adapt quickly to changing business and retail requirements, and we're looking forward to seeing how the Brindley Life app evolves over the coming months and years and becomes an even more essential part of employees' lives at Brindleyplace."*
>
> **— Matt Long, Head of Customer Engagement and Placemaking at Brindleyplace, UK**

It's important to remember why the market is headed toward the use of more meaningful data analytics: because landlords have come to understand that harnessing the power of real-time behavioral and sentiment data will allow them to make impactful and efficient use of capital, while also increasing asset value, tenant retention, and NOI.

The HqO Workplace Experience Platform is also easy to use and streamlined, offering both broad strokes in the form of intuitive overviews and fine detail with granular control over a variety of office functions and features. It also serves as a digital backbone for offices of the future, which will and are seeing employees working how, when, and where they like.

Ready to get started? Schedule an HqO demo today to see our workplace experience solutions in action.

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About HqO

HqO is transforming how people connect with each other and the places they work. The HqO Workplace Experience Platform makes it easy for companies and commercial property teams to create modern workplaces through world-class amenities and services that allow people to thrive and produce the best results. Active in over 250 million square feet in 25 countries, 57% of the Fortune 100 rely on HqO to enhance their workplace experiences, improve employee satisfaction, and drive operational excellence. For more information, visit https://www.hqo.com/.

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