

eBook

Future-Proof Building Operations to Optimize Tenant Experience

Introduction

The new normal of tenant experience—the actual “normal” now, is very different from pre-pandemic times. Now tenant experience (TeX) is all about cleanliness, air quality, workplace distancing, accurate and consistent communications, information flow, and most importantly—safety.

The average office occupancy rate in the United States is currently hovering around 30 percent, according to [JLL](#). In normal times, 70 percent occupancy is considered a good level.

In the past, improving the tenant experience often took a backseat to more pressing property team priorities. Now it's a vital component of bringing people back to the office.

Tenants, owners, and property managers are all asking themselves, “How can we help occupants feel more confident and comfortable when returning to buildings?” There are outside forces that property teams can do little or nothing about. The main force is how long it takes COVID rates of infection to consistently decline, which is strongly correlated to vaccination rates increasing.

But property teams and owners can do a lot to make tenants more comfortable and productive once they are back in their building. Occupants need to see a building as a safe space. To achieve this, tenant experience must now be about maximizing the comfort and confidence of occupants' experience in a building. The challenge for property teams is to do enough, and say enough, to demonstrate sufficient understanding and vigilance to inspire tenants' confidence to return.

To encourage re-occupancy and lay the groundwork for a successful post-pandemic building, property teams must understand their tenants have changed forever. While flashy amenities, discounts, and events might have won tenant loyalty in the past, tenants now place more value on spaces that promote health, safety, and well-being.

It's time for property teams to go back to the fundamentals and consider how routine building operations can be enhanced to retain tenants.





Air Quality Takes Center Stage

COVID-19 caused a seismic shift in how tenants view air quality in their buildings. To alleviate current and future air quality concerns, HVAC management must be a top priority. Interestingly, Building Engines' [US Commercial Real Estate Re-Occupancy Plans and Priorities](#) report found only four percent of respondents requested a full-scale HVAC replacement during the height of the pandemic. Given the expense associated with replacing a single unit (anywhere from [\\$7,000-\\$30,000](#)), this is not a practical first-choice option.

Instead, property teams should implement more cost-effective protocol changes and unit enhancements.

✓ **Increase HVAC Inspections**

HVAC was probably already a stop on your engineering team's daily inspections rounds. During COVID-19 however, teams will need to build in new protocols for duct inspections, filter changes and more. Collecting and maintaining thorough inspection reports to share with concerned tenants is vital. If your team still relies on paper inspection processes, it's time to take the digital leap.

✓ **Add HEPA Filters**

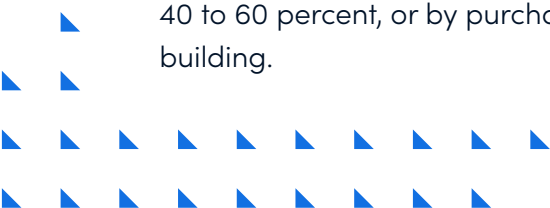
High-efficiency particulate air (HEPA) filters became a buzzword during the pandemic because they are [99.97%](#) effective at capturing human-generated viral particles associated with SARS-CoV-2.

✓ **Increase Outdoor Air**

Even a slightly open window can dilute harmful particles. Consult with an HVAC professional to understand how much you should open windows and doors to increase outdoor air flow while maintaining optimum HVAC efficiency.

✓ **Maintain Optimal Humidity Levels**

Evidence suggests viruses survive better in low-humidity environments. Buildings can adjust humidity via heating and ventilation systems to maintain an optimal range of 40 to 60 percent, or by purchasing and installing portable humidifiers throughout the building.



Cleaning and Crowd Control

Tenants now expect property management teams to enhance cleaning and sanitization protocols, and manage foot traffic in common areas. Building owners and operators should be mindful of evolving state and federal COVID-19 regulations when setting building policies. Implementing these policies will also involve retraining some staff, from hourly housekeeping teams to engineers who need to build more frequent maintenance and sanitization protocols into their daily rounds.

Particular areas of concern for tenants include:

- ✔ **Visitor management**

With disease transmission still a concern, tenants want to know exactly who is coming and going from a building at all times. Teams in larger buildings especially should consider how to capture and store each visitor's information to make this process more secure. Many teams use [QR code](#) technology when generating visitor badges to make the process contact-free.

- ✔ **Amenity management**

Shared spaces that tenants once enjoyed can now be anxiety-inducing. To encourage building amenity use, property teams need to make handoffs between bookings seamless, and include time for cleaning protocols. (Software such as Building Engines' [Prism Resource Reservation](#) makes this easy.)



Clear and Consistent Communication

Implementing robust health and safety protocols won't have the desired impact if tenants aren't highly aware of them. Pandemic-induced uncertainty has increased the need for clear, consistent communication between building management teams and tenants.

According to a Building Engines survey, [50 percent of respondents](#) who rated their building communications as "excellent" during COVID-19 said they were more likely to renew leases. In contrast, 30 percent of those who rated their building communications as poor to average said they were likely to renew. This need for better communications is expected to continue beyond the pandemic.

Collecting tenant health and safety information typically will not fall to property management. However, it is on the property team's shoulders to communicate changing building policies, including mask mandates and vaccine requirements, as driven by relevant state and federal guidelines.

Property teams should consider how to best engage with tenants, including those working from home. Best practice is to use multi-channel communications tools. Such tools make it easy for tenants to manage their own communication preferences, and choose if they'd like to be contacted by messaging app, text message, email, or some combination.



Track Performance to Continuously Improve

As tenant expectations change, property teams should keep a close eye on more tenant-centric key-performance indicators. Combing through paper files or spreadsheets to identify trends is inefficient. Instead, if you don't already, consider using building operations software platforms or point solutions—they make it quick and easy to monitor performance over time.

Tenant-centric metrics to watch include:

- ✓ **Work orders**
Keep a close eye on work order volume, time to completion, tenant ratings, etc.
- ✓ **Amenity/resource utilization**
Tracking monthly amenity bookings can indicate if teams have invested in the right amenities or should rethink their offerings.
- ✓ **Energy/Sustainability Initiatives**
Driven by a combination of tenant demand and local legislation (such as [local law 97 in NYC](#)), teams are using tools that monitor, baseline, and benchmark energy consumption and make recommendations for operating adjustments.
- ✓ **Lease renewal rates**
Perhaps the most important indicator of tenant satisfaction. In normal times, most property teams consider a 70 percent lease renewal rate a good baseline.

Promote Mental Health

Over the past decade, the cultural conversation around mental health has changed, no doubt partly in response to the rise of the millennial cohort in the workplace. Topics once considered taboo have been destigmatized. Employers now actively seek ways to support employees' mental health and well-being—and will look to commercial property management for support.

Rates of depression and anxiety skyrocketed in 2020 as society grappled with lockdowns and the reality of pandemic life. A [King's College study](#) found that in the early stages of lockdown 57% of survey participants reported symptoms of anxiety, with 64% recording common signs of depression. And it's likely a majority of us are suffering from [Post Covid Stress Disorder \(PCSD\)](#).

In this environment, tenants want spaces that reflect a commitment to employee wellness, particularly since studies show [happy employees](#) are more productive. Expect open-plan offices, [often linked](#) to noise distractions and elevated stress levels, to fall out of favor.

In-demand space enhancements include:

- ✔ **Introducing elements of nature**
For example, plants and wooden materials have been [proven](#) to reduce stress.
- ✔ **Natural light**
Office workers with more exposure to daylight [report a better quality of life](#). Buildings that lack natural light can implement circadian lighting that mimics the changing composition of light throughout the day.
- ✔ **Quiet spaces**
For relaxation, meditation, or prayer, outfitted with acoustic panels to eliminate excess outside noise.
- ✔ **Better air quality**
Virus-spreading air particles aside, poor air quality is [linked to](#) severe mental illness.
- ✔ **Outdoor spaces**
Rooftops and patios are in even higher demand, particularly those that promote safe socialization amongst co-workers.



Lease More Proactively

To attract prospects and battle competitors in a post-COVID world requires shoring up leasing processes today. Those competitors now include the comfort and convenience of the home office.

Tenant turnover is inevitable. Long, budget-draining vacancies are entirely preventable—with the right processes. Efforts to deliver an unparalleled tenant experience should begin before leases are signed.

COVID-driven vacancies have put tenants in a historically advantageous position for lease negotiations. Property teams must prepare to compete against competitor buildings offering concession packages like rent-free periods and contributions to fit outs. Tenants are also demanding flexibility in lease durations, subletting rights, and early termination clauses.

As you negotiate with tenants, consider how technology tools can help property teams respond faster to prospects and eliminate common leasing speedbumps.

Such tools can include:

- ✔ **Digital Floorplans**

The floorplan is no longer a static paper document—it's a collaborative tool that should be distributed across teams. Using cloud-based space management platforms, teams can access, annotate, and edit plans to quickly show prospects their options, eliminating time waiting for architects to turn around plans.

- ✔ **Lease Visualization**

There are a wide array of software options that show when leases are expiring in easily-digestible visual formats such as stacking diagrams. Use the extra notice they provide to engage with current tenants and see if anything can be done to remedy their experience, or to fold your cards and start marketing efforts early.

- ✔ **Virtual Touring**

The pandemic has provided an opportunity for leasing teams to streamline slow, inconvenient processes such as in-person property touring. While many tenants may still prefer in-person tours before signing leases, virtual tours provide an opportunity to conduct a preliminary walkthrough and gauge interest. Property teams who haven't implemented virtual touring options like [Matterport](#) or [Concept3D](#) are missing an opportunity to make a great first impression on tenants.

Building Operations Are Integral to Tenant Experience

In a COVID-laden world, the stakes are higher. Providing an excellent tenant experience starts the moment someone walks in and breathes the air in a building. Maintaining consistently high air quality is not just better for employee performance and mental health, it prevents the spread of airborne illness. Likewise, when building occupants set foot in a building, they are much more conscious of sanitation and security, so consider a touchless entry experience and digitally registering everyone who comes and goes—including vendors.

In an era of uncertainty, it becomes even more important to communicate clearly and often. And to closely track tenant-centric metrics such as work orders, amenity/resource utilization, energy use, sustainability initiatives, and most importantly, lease renewal rates, to enable continuous building improvement.



Space that promotes mental health will be a significant differentiator in today's market. Which means buildings should focus on offering elements of nature, natural light, quiet spaces, and outdoor spaces whenever feasible.

Ultimately, you can create the best tenant experience on the market—but if you don't have tenants, it's a wasted investment. Therefore it's vital to adopt a proactive leasing strategy. Using CRE software such as virtual touring, lease visualization, and digital floorplans will significantly aid in this endeavor.

If you're interested in a software solution that will future proof your property operations, Building Engines' Prism building operations platform offers the most innovative technology on the market to help companies maximize profitability, efficiency, and tenant satisfaction. Schedule a demo now to see how Building Engines can help optimize your tenant experience.

[Schedule a demo](#)

About Building Engines

Building Engines improves net operating income across the world's most successful commercial real estate (CRE) portfolios. Our customers increase revenue, deliver the best occupant experience, and reduce operating costs with Prism – the industry's most innovative and powerful building operations platform. Today, more than 850 customers—including Beacon Capital Partners, Cushman & Wakefield, and SL Green—rely on Building Engines to manage critical operational needs across more than three billion square feet and 30,000 properties worldwide.

Exceptional Building Operations. Extraordinary Business Outcomes.



ADDRESS

Building Engines HQ
33 Arch Street, 32nd Floor
Boston, MA 02110