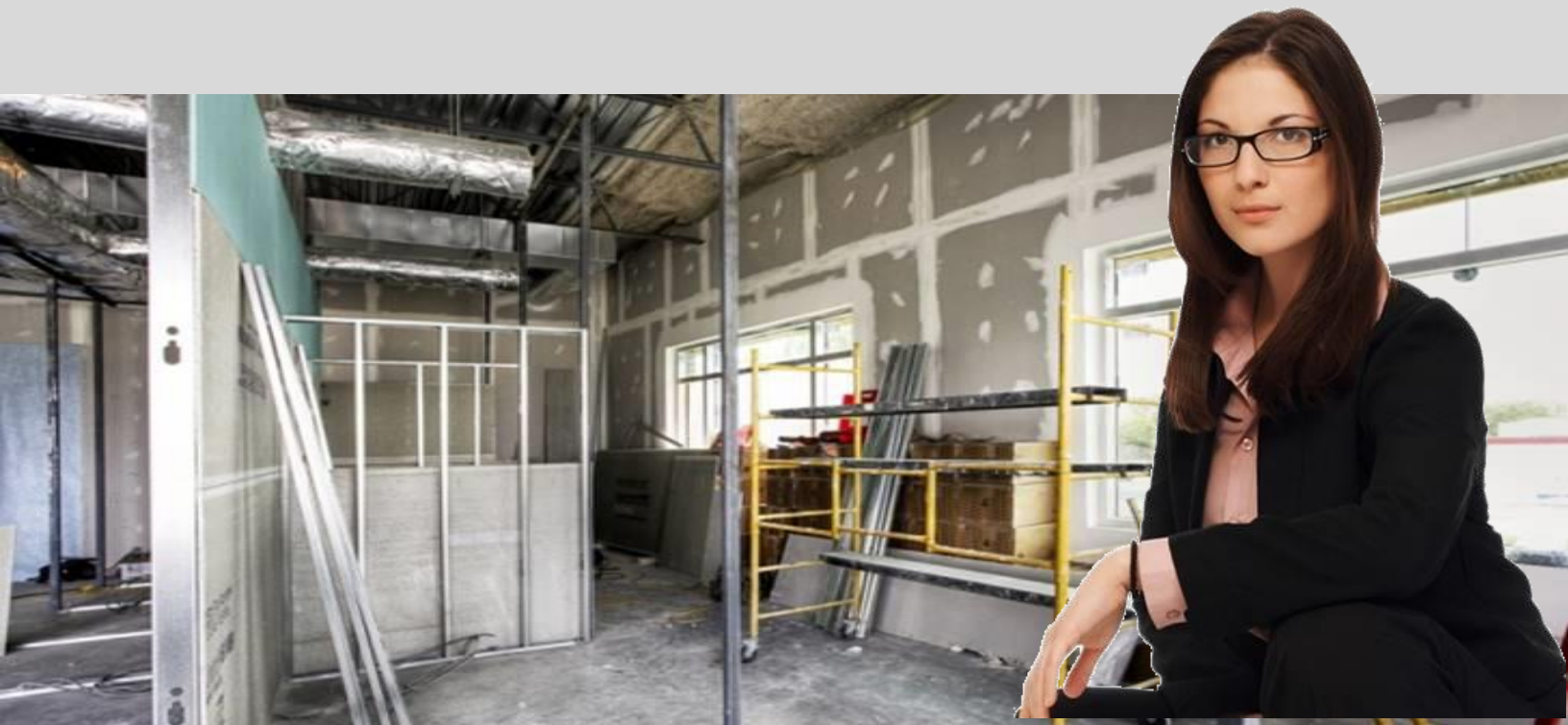


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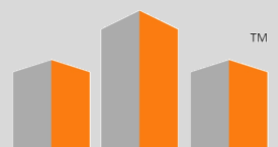
Will Improving Leased Commercial Buildings Retain Tenants And Increase Asset Value?

May, 2015



By:

Jim Burpee &
Robert Roth, Ph.D.



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This study was conducted by Better Building Showcase, LLC as a component of their due diligence preliminary to development of Better Building Showcase Internet lease marketing software. The results of this study informed and supported development of *Better Building Showcase*™ which is currently provided through www.BetterBuildingShowcase.com.

For more information please contact:

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Executive Summary

The objective of this study was to better understand the extent to which commercial real estate owners are investing in property improvements and the extent to which improvements are impacting tenant attraction and retention and (thereby) asset value.

Methodology

The survey was conducted, online, during April and May of 2015.

Respondents included 82 commercial property managers, owners and employees of owners, and tenants.

Respondents were selected based on information contained in their LinkedIn profiles and other public information sources in an effort to obtain a diversity of employer organizations, responsibilities and perspectives.

While the total sample of 82 respondents is relatively small, the vertical nature of the commercial real estate industry and the homogeneity of views on the majority of questions posed make the findings of this study predictive.



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Summary of Findings

Primary study findings include:

- **Substantial improvement activity has been taking place during the past two years.** Sixty-five of the eighty-two total respondents indicated that improvements in buildings that they are involved in have been made.
- **Improvements have had substantial impact on asset value.** Thirty respondents, reported that improvements have had a *substantial* or *very substantial* impact on increasing asset value; and an additional eighteen said that improvements had a *moderate* impact on increasing asset value.
- **Improvement projects will continue.** Forty-five respondents indicated that they or their organization will *likely* or *definitely* be making extensive improvements during the next 24 months.
- **The majority of improvements will be made as smaller, continuing projects.** Forty-eight respondents indicated that their improvements will be made as smaller, continuing projects, over time. Eleven respondents indicated that their improvements will be completed as one project.
- **Expense is the greatest barrier to making improvements.** Sixty-four respondents reported that the expense of improvement projects is the primary barrier to making them.

Detailed Findings

Question 1

Contact information for respondents (Optional)

This information is confidential.

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Question 2

How are you involved with commercial real estate?

Respondents = 82



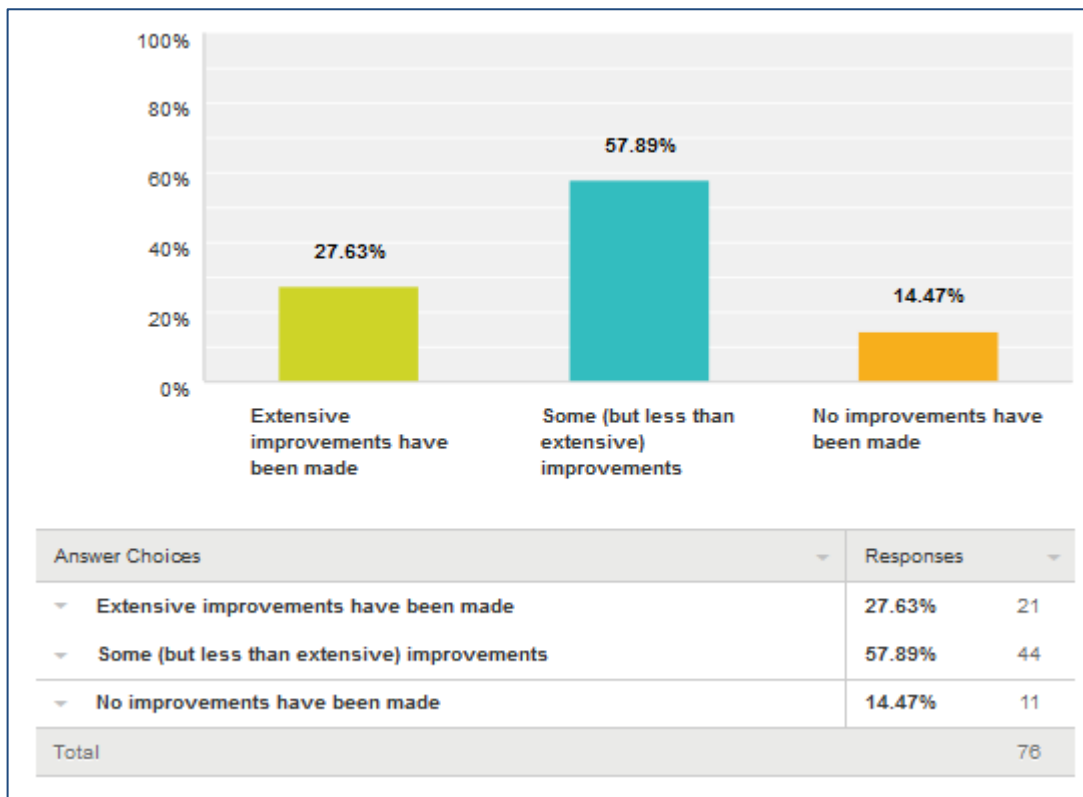
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Question 3

To what extent have improvements been made in your building(s)
during the past 24 months?

Respondents = 76



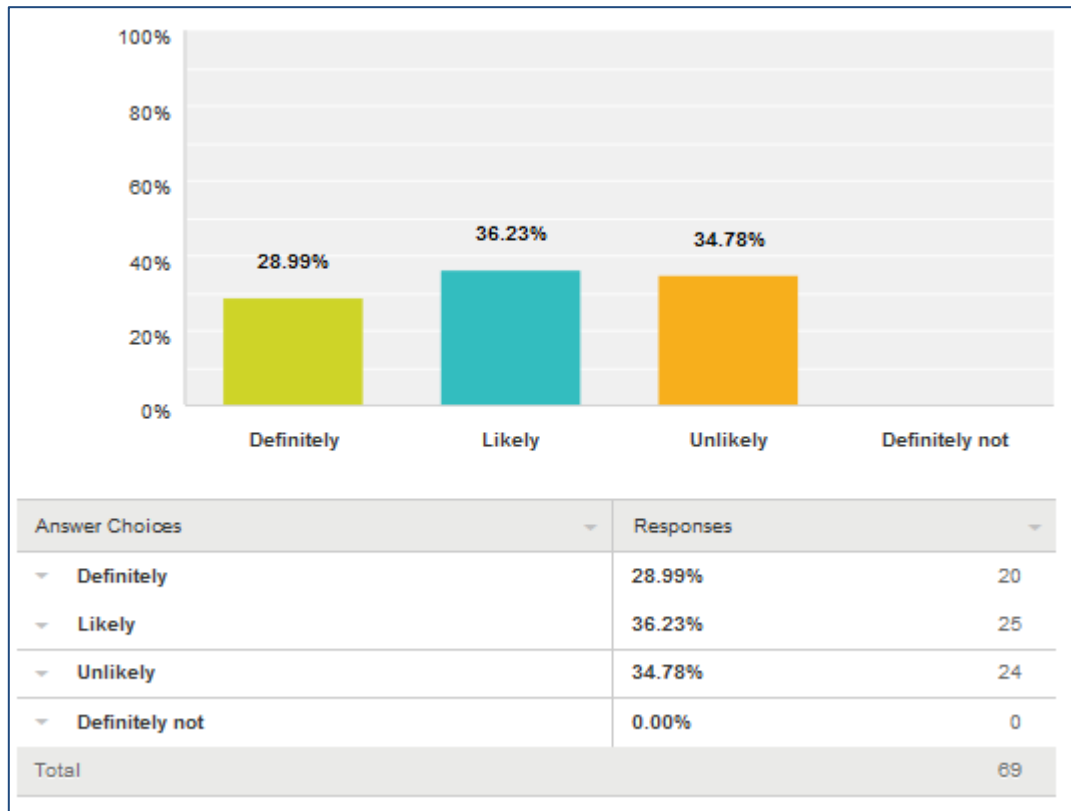
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Question 4

How likely is it that extensive improvements will be made in your building(s)
over the next 24 months?

Respondents = 69



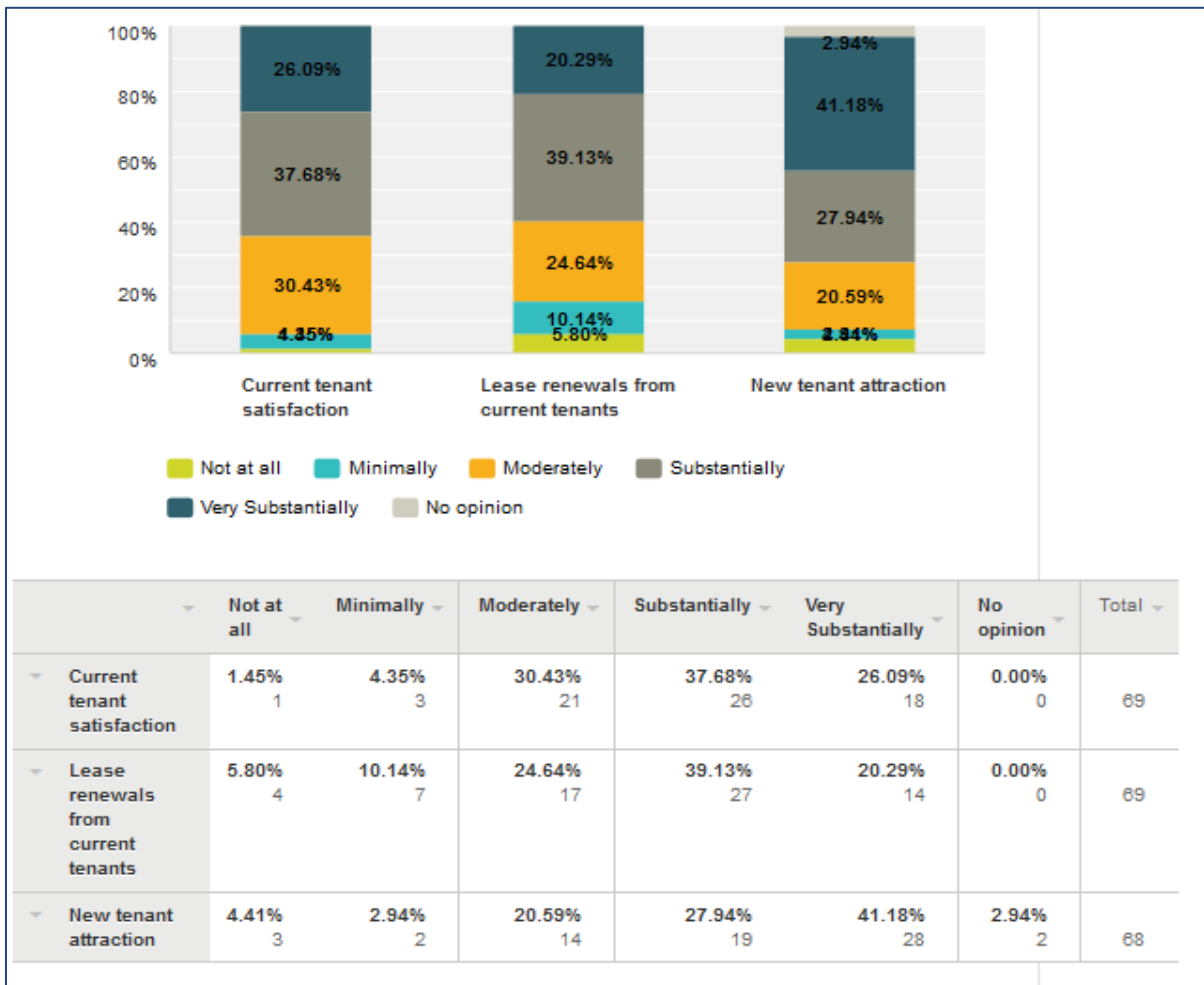
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Question 5

To what extent do you believe improvements will increase current tenant's satisfaction, lease renewals from current tenants, new tenant attraction?

Respondents = 69



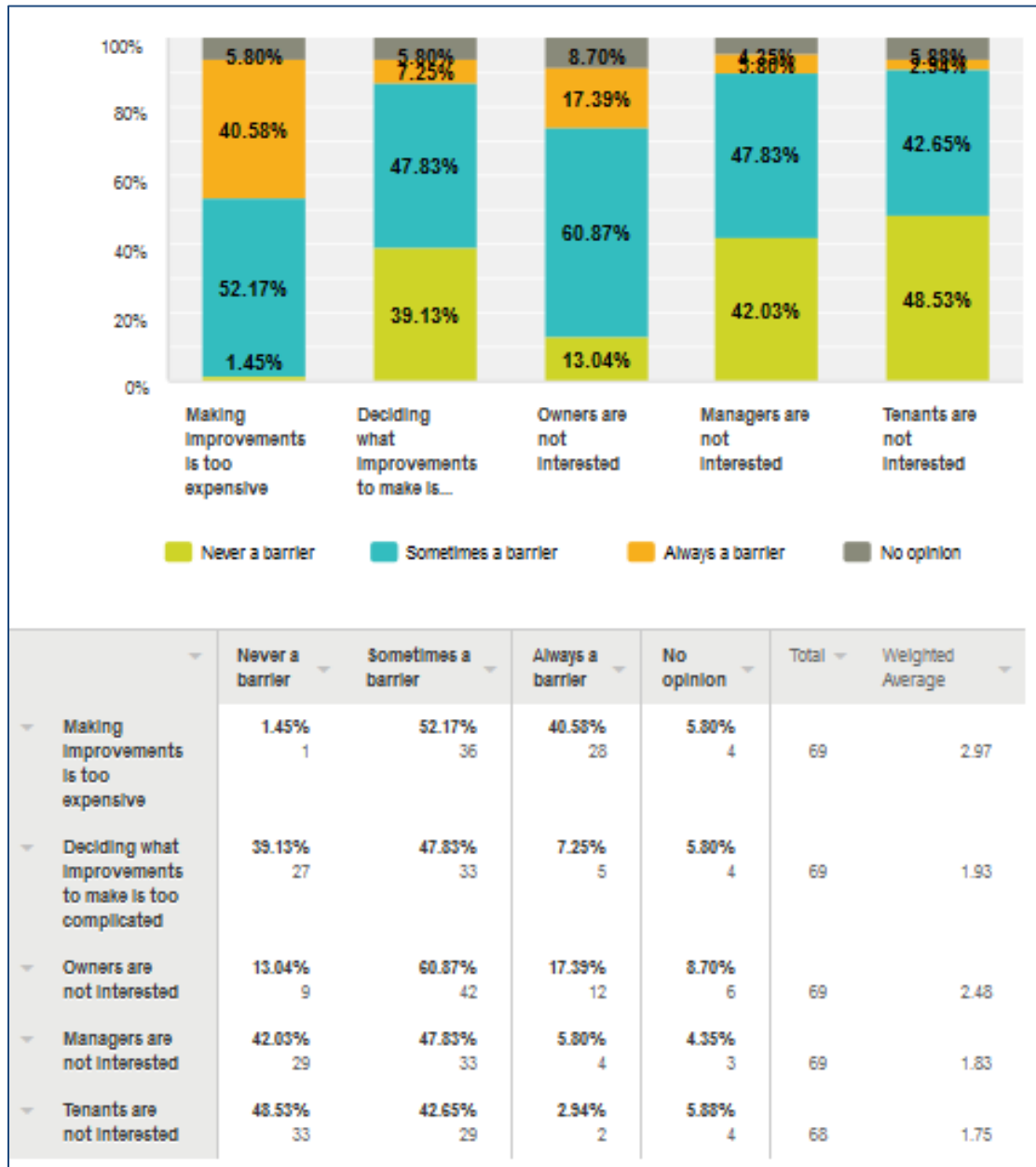
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Question 6

How often is each of the following barriers preventing building improvements?

Respondents = 69



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Question 7

To what extent do you believe that building improvements will increase lease rates and asset value?

Respondents = 64



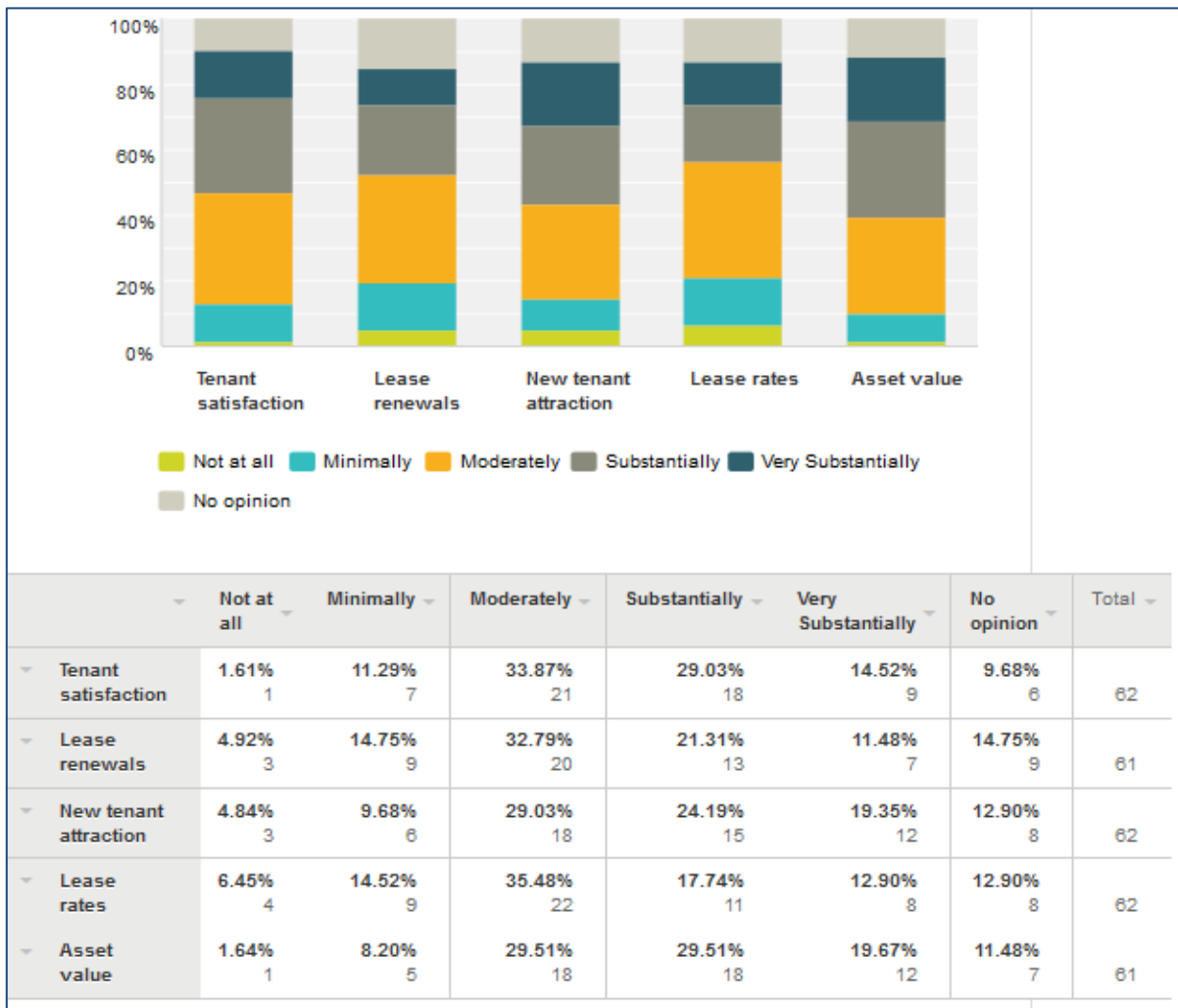
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Question 8

If you or your organization has improved your building(s), have you seen an increase in tenant satisfaction, lease renewals, new tenant attraction, lease rates, asset value?

Respondents = 62



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Question 9

If you or your organization plans to make extensive improvements, which of the following approaches are you most likely to take?

Respondents = 59

