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## **Kingsley Releases Latest Report on Commercial Real Estate Trends**

*Value perceptions and future space needs increase significantly across industrial property sector*

(SAN FRANCISCO—February 11, 2016) Industrial tenants reported the greatest increases in value for amount paid and future space needs this quarter, according to Kingsley Associates' [Q4 2015 Commercial Property Trends](#). For the four quarters ending on December 31, 2015, 54.9 percent of tenants indicated that their perceived value for amount paid was "good" or "excellent" with respect to their current industrial space, up 4.9 percent from one year ago. When questioned regarding future space needs, 27.8 percent of industrial tenants anticipate needing more space, up 6.8 percent over the same period.

While office tenant satisfaction remains steady at 88.7 percent this quarter, two select markets have seen substantial increases from one year ago. In Chicago, 91.8 percent of tenants reported that their overall satisfaction was "good" or "excellent" with respect to their current office space, an increase of 4.7 percent. Similarly, 92.2 percent of Atlanta tenants indicated satisfaction, an increase of 3.0 percent over one year ago.

The sharpest decrease in office tenant satisfaction occurred in San Francisco where just 84.8 percent of tenants expressed satisfaction with their current space, down 3.5 percent from one year ago. This decline is likely due to unprecedented rental rate growth that has caused San Francisco to become the most expensive office market in the US. According to a new report from CBRE Group, San Francisco landlords asked an average of \$72.26 PSF in Q4 2015, surpassing the \$71.85 PSF average asked in Manhattan. "With rents continuing to rise across the Bay Area, it is crucial that property managers provide excellent service. We consistently see tenants citing property management as a top renewal decision factor amongst those likely to renew their leases. If these tenants continue to be happy in their current space, this reduces the likelihood that they will look elsewhere," says the president of Kingsley Associates, Steve Kingsley.

Kingsley Associates' [analysis](#) this quarter also contains findings from retail and medical office tenants. Perceived value for amount paid decreased 5.6 percent amongst medical office tenants from 2014 to 2015. When questioned regarding renewal decision factors, 45.4 percent of retail tenants unlikely to renew their leases indicated that customer traffic was a primary decision factor, an increase of 15.3 percent from one year ago.

Kingsley Associates annually surveys office, industrial, retail, and medical office tenants occupying over two billion square feet on behalf of its clients. The findings outlined above reflect responses received between January 1, 2015 and December 31, 2015. For additional data and analysis, see Kingsley Associates' [Q4 2015 Commercial Property Trends](#).

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### **About Kingsley Associates:**

The most successful real estate firms rely on Kingsley Associates for cutting-edge business intelligence solutions. Kingsley Associates is a leader in tenant satisfaction surveys, resident satisfaction surveys, client perception studies, strategic consulting, and organizational benchmarking. To learn more, please visit our [website](#) or follow us on Twitter [@Kingsley\\_Assoc](#).

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