

Kingsley Associates

Business Intelligence for the Real Estate Industry.

PLAY TO WIN

In hard times, avoid the temptation to sit on the sidelines; instead, open up your playbook to position your business for long term success.

It is more and more apparent that the effects of financial market problems and increased unemployment will continue to radiate through the real estate industry for some time to come. As investors, owners and operators face this reality, an integral part of a winning game plan will be playing good defense – defending occupancy, rent and NOI to protect portfolio value, as well as defending critical client and investor relationships.

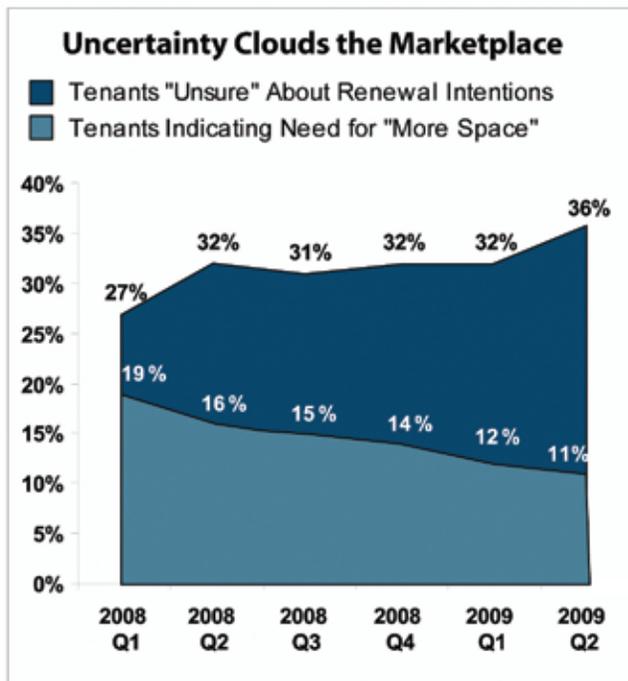
And yet, while a strong defense is a tactical necessity today, hard times present great strategic opportunity. For firms that have weathered the initial storm, the time is ripe to cultivate a future advantage with an aggressive offense. With the appropriate investment in organizational infrastructure and operational efficiency, combined with

a strategic focus on the firm’s unique value proposition, an organization can position itself to be the first to experience the fruits of recovery. More than ever, the right insight can mean productive foresight.

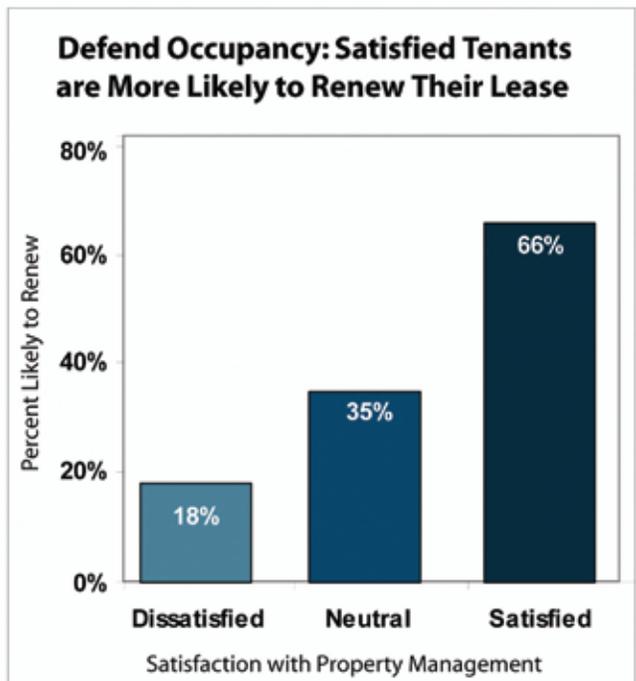
At Kingsley Associates, our mission is to be the real estate industry’s leading provider of actionable business intelligence. Since 1985, we have elevated portfolio and organizational performance for our clients through research and management consulting services, deep industry expertise and exceptional service. In our work with 12 of the 15 largest investment managers* and 5 of the 6 largest property management firms**, we have developed tools that will not only help your organization solidify the basics, but they will also enable you to build competitive advantage – regardless of market conditions.

*2008 Pensions & Investments

**2009 National Real Estate Investor



Source: Kingsley Index Office Property Database



What is in your **playbook?**



DEFENSE

- X ————— maintain occupancy
- X — x ————— defend rent and NOI
- X ————— protect portfolio value

OFFENSE

- O ————— enhance operational efficiency
- O ————— build deep relationships
- O ————— define long-term strategy

Better Blocking and Tackling — Focus on Fundamentals

With occupancy at a premium, no one wants to lose a lease renewal due to a controllable issue — like a service failure by property management. Kingsley Associates' extensive research shows that tenants who are satisfied with management service are three times more likely to indicate lease renewal than those who are dissatisfied. To capitalize on knowledge like this, it is critical to know what your tenants are thinking. Our **Tenant/Resident Satisfaction Assessment** — which features the Kingsley IndexSM industry benchmark — sets the standard for customer service measurement. The customized reports and in-depth analysis uncover critical performance indicators across the portfolio. At a more detailed level, asset and portfolio managers can quickly gauge the relative service performance of their on-site management and leasing teams, zeroing in on individual assets and tenants when necessary. In every case, the orientation is toward targeted action.

Of course, a property's occupiers are not the only ones whose opinions are important. A Kingsley Associates **Broker Perception Survey** delivers insights into a customer base that is often overlooked. We have found, for instance, that when commissions are not paid within three weeks of closing, less than half of tenant rep brokers indicate willingness to work with a building's leasing team in the future. When deals are scarce, this kind of feedback — on your team, the appeal of your buildings and your leasing and investment processes — is crucial to maintaining occupancy and NOI.

Intelligence from customers is even more powerful when it is combined with other information as part of a full **Portfolio Performance Evaluation**. In the Operator

Assessment, internal personnel (such as asset managers, accountants and acquisitions/dispositions officers) provide direct critical analysis of JV partners and third-party service providers. These formal, standardized evaluations — along with results of a tenant/resident survey and financial performance measures — come together in a scorecard to reveal a comprehensive assessment of operator performance. The final piece of the evaluation — a 360-degree feedback mechanism — allows operating teams to assess the effectiveness of your working relationship with them from their perspective covering everything from the budgeting process to communication of asset strategy. The end result is a well-rounded, holistic view of portfolio operations that empowers decision-making and enhances operating strategy.

Beyond Mere Survival — Gain Competitive Advantage

When fundamentals are weak, optimizing normal day-to-day operations alone may not always be sufficient for success. Companies that require more than just tactical support look to Kingsley Associates for the industry knowledge and understanding they need to gain a strategic edge.

As investors adjust their allocations to different vehicles, the competition for equity will only increase. When property values were rising, the investment community cited deal flow as the most critical aspect of the allocation decision. Through an **Investor Perception Assessment**, your firm will learn what new factors are at play. Kingsley Associates will also help you discover your relative strengths and weaknesses in the eyes of those who control the flow of capital, as well as their tolerance for risk and their expectations for best practices in portfolio management.



In addition to the qualitative analysis available through investor feedback, Kingsley Associates can help you dig deeper into your organization's operating model. Through our deep relationships with top investment managers, we have peerless access to a wide array of best practices in portfolio and asset management. An **Organizational Benchmarking Initiative** with Kingsley Associates will leave you with a thorough understanding of the various options available for optimizing organizational alignment, personnel roles and responsibilities, reporting relationships and operational efficiency. Furthermore, we provide a detailed analysis of your unique capabilities and challenges, along with a recommended course of action.

Stakeholder perception research and organizational benchmarking are just two facets of Kingsley Associates' **Strategic Management Consulting** practice. Whether you are redefining your mission or core competencies, considering a merger or partnership, setting goals for your next strategic plan or grappling with leadership succession, we bring unparalleled perspective on the industry and an objective, focused approach to your situation.

At Kingsley Associates, we will help you make the right moves to prepare your organization for whatever lies ahead. We provide actionable intelligence and offer matchless real estate acumen in our strategic recommendations. Let us join your huddle as your research and management consulting partner and we will help lead you to victory.

KINGSLEY CASE STUDIES

Portfolio Performance Scorecard



When a large investment manager needed a way to evaluate their service providers, they turned to Kingsley Associates for a Portfolio Performance Scorecard. Each provider's customer service delivery was measured through a Tenant Satisfaction

Assessment. At the same time, Kingsley Associates gathered both subjective and objective data on provider performance (including financial performance vs. budget, quality of reporting, ease of doing business and many other factors) from the investment manager's own asset managers, accountants and transactions professionals. A 360° Feedback component revealed the views of the providers themselves, resulting in a full-fledged, structured assessment of each provider relationship.

Organizational Benchmarking



Multiple real estate investment advisors have recently approached Kingsley Associates to better understand best practices in asset and portfolio management. Leveraging deep relationships in this sector of the industry,

Kingsley Associates conducted a series of in-depth conversations with leading firms to map out their structures. More importantly, Kingsley Associates studied challenges and nuances of each firm and how those factors influenced the appropriate organizational structure. As a consequence, our clients have emerged with a deep comprehension of what will and will not work as they seek to fine-tune their operating models for the future.

Strategic Consulting



A real estate owner at a crossroads engaged Kingsley Associates to dig deep into their business to assist with a strategic plan. Relying on our database of operational metrics, Kingsley Associates undertook a quantitative analysis to

support the insource/outsource decision regarding the asset management function. Kingsley Associates also interviewed each member of the leadership team to determine the extent to which their visions for the company were aligned and to uncover each person's views on how he or she fit into the firm's long-term succession plan. Finally, Kingsley Associates facilitated a capstone Strategic Planning Session, leading to the development of an organizational mission and the implementation of a consensus-based plan.

Performance-Driven Solutions

Kingsley Associates offers strategic solutions to real estate companies of every type and size. Our customized programs provide clear roadmaps for the improvement of asset and organizational performance.

Tenant/Resident Surveys

- > Annual Satisfaction Assessments
- > Event-Driven Surveys
- > Corporate Occupier Surveys
- > Occupant Surveys for LEED® Certification

Broker Perception Surveys

- > Investment Sales Broker Surveys
- > Leasing Broker Surveys

Employee Surveys

- > Employee Engagement Surveys
- > Employee Exit Interviews
- > Compensation Research

Organizational Benchmarking

- > Operations Benchmarking
- > Fund Fee Benchmarking
- > Management Fee Benchmarking

Client and Investor Studies

- > Client Satisfaction Studies
- > Investor Perception Studies

Strategic Consulting

- > Portfolio Performance Evaluations
- > Time and Motion Studies
- > Strategic Planning Facilitation

LEED is a registered trademark of the U.S. Green Building Council

Leading Industry Experts



Steve Kingsley, President

415.777.1140 | skingsley@kingsleyassociates.com

Steve founded Kingsley Associates in 1985 in response to the real estate industry's need for actionable business intelligence. He serves as president and is engaged in strategic consulting, new business development and client relations. Steve serves as a key adviser to many leading real estate firms. Steve earned his BA in Business Communication from the University of California at Berkeley.



John Falco, Principal

770.908.1220 | jfalco@kingsleyassociates.com

John joined Kingsley Associates in 1993 and was named principal in 1995. He is primarily engaged in product development, client relations and new business development. John has over 20 years of experience in the real estate industry. John earned his BA in Economics from Duke University and his MBA from The Kenan-Flagler Business School at the University of North Carolina at Chapel Hill.



Jim Woidat, Principal

415.777.1140 | jwoidat@kingsleyassociates.com

Jim joined Kingsley Associates in 1995 and was named principal in 1997. Jim oversees client engagements and operational strategy consulting. He is also responsible for new business development. In addition, Jim spearheads several industry research initiatives, including IREI's annual Plan Sponsor Survey. Jim received a BBA from the University of Notre Dame and an MBA from The Haas School of Business, University of California at Berkeley.

Contact Us



San Francisco

Headquarters

182 Second Street, Suite 200
San Francisco, CA 94105

Telephone: 415.777.1140

Fax: 415.777.0949



Atlanta

1841 Montreal Road, Suite 205
Atlanta, GA 30084

Telephone: 770.908.1220

Fax: 770.723.0223

To learn more, please visit our Web site:
www.kingsleyassociates.com