Konrad Konstantynowicz

The Eurobuild Awards – Warehouse Tenants Survey

Measuring happiness in a box

■ Richard Stephens

TWELVE PROFESSIONALS ACTIVE IN POLAND'S WAREHOUSE SECTOR SAT DOWN TO DISCUSS THE CONTENTS OF A QUESTIONNAIRE TO BE FILLED OUT BY TENANTS IN SELECTED WAREHOUSE PROJECTS, THE PURPOSE BEING TO FIND OUT WHICH WAREHOUSE IN POLAND HAS THE MOST CONTENTED TENANTS

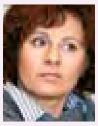
In front of twelve experts a questionnaire was placed, drafted by Millward Brown, the independent market research company which will carry out the survey on behalf of Eurobuild. The idea behind the first draft was to include all possible points and questions in order to see which were relevant and which were not.

PICTURE: **Some of the most influential figures in the Polish warehouse sector discuss the upcoming survey of warehouse tenants**

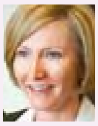
Even with this in mind, it was immediately and unanimously judged not to be ideal. "The questionnaire was too long and complicated for people to fill in, with too many sub-questions," said John Palmer of Brittain Hadley Europa. "It should be short, simple and colourful, with a maximum length of two sides," he added. "It was too extensive and detailed, probably too long for tenants to respond to all the questions," said Renata Osiecka of Axis Real Estate. Although Magdalena Tulaja of Millward Brown emphasized that the questionnaire would be in a more user-friendly electronic format, as opposed to the printed sheets of paper the participants had in front

Around the table:

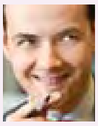
ROBERT DOBRZYCKI
managing partner for Central Europe, Panattoni – an international real estate developer and investor, which in Poland focuses on developing warehouse projects



BEATA HRYNIEWSKA
associate director and head of Jones Lang LaSalle's industrial and logistics agency



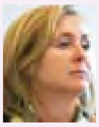
BOŻENA KRAWCZYK
regional manager, Segro Poland – a Europe-wide real estate investment and development company



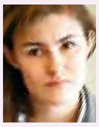
PIOTR BZOWSKI
head of leasing, PointPark Properties – a Europe-wide warehouse and logistics development company

RENATA OSIECKA
managing partner, real estate advisory services, Axis Real Estate – a real estate agency and consultancy

JOHN PALMER
director of real estate agency and consultancy Brittain Hadley Europa's real estate advisory services

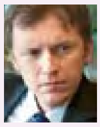


JOLANTA NOWAKOWSKA-ZIMOCH
partner and lawyer, Lovells. Specializes in real estate and the warehouse sector



MAGDALENA TULAJA
analyst, Millward Brown – an international independent market research company, which will carry out the survey of warehouse tenants on behalf of Eurobuild

FERDINAND HLOBIL
partner and head of Cushman & Wakefield's CEE industrial department



TOMASZ KASPEROWICZ
director of Colliers International's industrial and logistics department

TOM LISTOWSKI
associate director and head of CB Richard Ellis's industrial department

CHRISTOPHER LARUE
Cushman & Wakefield's CEE industrial department

BARTŁOMIEJ HOFMAN
managing director, Europolis Real Estate Asset Management

of them, the group still felt it needed to be simplified.

For example, the question "Is the warehouse you rent located in a special economic zone?" was judged to be irrelevant to the aim of the survey. The question, "How many kilometres from the warehouse where you lease space is there: 1) An express road, 2) a motorway, 3) the nearest airport, 4) the centre of the nearest regional city, and 5) a public transport stop?", was reckoned to be flawed because the number of kilometres to a certain place is not necessarily indicative of ease of access, which is what that question was designed to ascertain. In other words, a motorway might be close by but access to it could be poor, whereas another project could be further from a motorway but with much better access. It was also pointed out that for some tenants proximity to an airport might be crucial but not important at all to others. "The local infrastructure for developments is always very important with reference to transportation routes, the distance to the city centre and to the labour market," commented Robert Dobrzycki of Panattoni. "However, the proximity to airports is not in most cases a key factor, therefore this feature cannot strictly be perceived as an advantage or disadvantage." Bartłomiej Hofman of Europolis suggested that, if the question was to be kept, it should rather be in terms of minutes as opposed to kilometres. Again, however, the relevance of the question to the aim of the survey was queried by the group. The participants felt that a more simple question would be sufficient, such as: "How satisfied are you with the location of the warehouse – taking into account elements such as proximity to an airport, a big city, major roads?" One contentious topic was that of rent and service charges. It is a truth universally acknowledged, said both the landlords and consultants present, that tenants are never happy with their rent levels. ProLogis (who could not attend the meeting but provided detailed feedback on the survey in writing) believed a question about tenant satisfaction with rental levels was superfluous for this reason. However, we have decided to include the question because tenants can grade their assessment according to how happy (or, in this case, unhappy) they are. In other words, there are grades of unhappiness. And it's not impossible that there are actually tenants out there who are happy with their rent.

How to measure

After a detailed discussion of the first three or four questions, Ferdinand Hlobil revealed that Cushman & Wakefield had taken part as originator and real estate guarantor of a similar survey of warehouse tenants carried out in Prague as part of the annual Atoz 'Eastlog Conference'. In this survey, he said, the questions were simply aimed at evaluating how happy tenants were with the project they were in, a sample question being: "Are you satisfied with the current technical conditions of your leased warehouse space? (building characteristics, materials of walls, roofs, ceilings, floors, etc.)". The survey, he said, had been a success. At this point it was agreed that the whole questionnaire would be re-written to make it far simpler, with the aim of assessing the tenants' overall satisfaction rather than asking them to rate many detailed and specific points, and that there was therefore little further benefit in going through each question in detail. It was agreed that flexibility of space, property and facility management, working and technical conditions, and maintenance should all be covered. This is what we tried to do in the new draft survey, which is printed at the end of this article. We welcome any comments our readers may have.

Konrad Konstantynowicz

Who's in and who's not?

The discussion then turned to a potentially problematic part of the survey, namely: which projects should be included? There will be a maximum of twenty projects surveyed and Eurobuild proposes that it should be the largest projects in Poland plus two or three specially chosen ones (to add diversity). Such a grouping is broadly representative of the market, including, as it does, projects by ProLogis, Panattoni, Segro, Millenium Business Parks, AIG/Lincoln and Europolis. All projects must have a minimum of seven tenants – and there are some notable absentees from the list due to this, including PointPark Properties' Mszczonów and Poznań projects, ProLogis Błonie II and Europolis Park Poland Central. These projects, however, will be eligible for the Best Warehouse in Poland 'Market' Award, to be chosen by leading industry figures. Some of the group, however, felt that this method wasn't fair as larger developers would have several projects represented, theoretically giving them a greater chance of winning. One project per developer, they believed, was fairer. Eurobuild has decided that this wouldn't reflect the reality of a market dominated by ProLogis and Panattoni, although it would be a perfectly good way of framing the survey. Moreover, it is the highest-rated project which will win the award, so each individual project has as much chance as the next, whether a developer has one project or several involved.

Bożena Krawczyk of Segro and Beata Hryniewska of JLL both said that a project's occupancy level should be taken into consideration because, as Bożena pointed out, "the total leased space shows the commercial success of the scheme." Therefore occupancy rate has also been taken into consideration. As with the draft questionnaire, the proposed list of projects is published at the end of this article and all comments are warmly welcomed.

Who will rate the projects?

Finally, the group wanted to know who would fill out the questionnaire on behalf of the occupier. Eurobuild's approach is that it should be the relevant decision maker, an opinion echoed by Robert Dobrzycki of Panattoni. "The questionnaire should be targeted at the right persons – decision makers. They conclude the lease agreements from the tenants' side and have a broad overview of all aspects of the investment" he said. Eurobuild and Millward Brown agree, and will encourage tenants to believe that this should be the case, but ultimately we'll leave it to them to decide who's best qualified to fill it out. ■

If you have any comments on the draft questionnaire or proposed list of projects to be surveyed (see next page), please write to Richard Stephens, Eurobuild Awards Director, at richard@eurobuildcee.com. We welcome all comments and suggestions. Coming next month: The office and shopping centre questionnaire meetings plus the proposed questions and projects to be surveyed.

PICTURE: The discussion resulted in the proposed questionnaire being greatly altered

PICTURE: Participants felt that the simpler the questionnaire, the better

Konrad Konstantynowicz

Eurobuild Awards Tenants Survey – draft questionnaire

The purpose of this survey is to find out how satisfied tenants are with the warehouse in which they lease space.

Apart from questions 19 and 20, each question will be followed by a scale from -5 to +5 (not including zero) and the tenants will rate their satisfaction or dissatisfaction on each subject accordingly. The points will be totalled up and the project with the highest average score will win the 'Best Warehouse in Poland' award, to be announced and presented at The Eurobuild Awards Gala.

The results of the survey will also be used to give feedback to the developers/owners of the projects about what their tenants think, all on an anonymous basis.

- **How satisfied are you with the location of the warehouse (taking into account elements such as proximity to an airport, a big city, major roads)?**
  If unsatisfied, why are you unsatisfied?
- **How satisfied are you with the accessibility to the warehouse (by public transport, by car)?**
  If unsatisfied, why are you unsatisfied?
- **How satisfied are you with the availability and quality of the local labour market?**
- **How satisfied are you with the warehouse infrastructure (taking into account elements such as functionality, pallet storage facilities, zero-level drive-in doors, loading docks)**
  If unsatisfied, why are you unsatisfied?
- **How satisfied are you with working conditions in the warehouse (taking into account elements such as heating, air-conditioning, lighting, ventilation)?**
  If unsatisfied, why are you unsatisfied?
- **How satisfied are you with the technical conditions of the warehouse (taking into account building characteristics and quality of materials used)**
  If unsatisfied, why are you unsatisfied?
- **How satisfied are you with the floor quality?**
  If unsatisfied, why are you unsatisfied?
- **How satisfied are you with the flexibility and effectiveness of the warehouse layout?**
  If unsatisfied, why are you unsatisfied?
- **How satisfied are you with the employee and guest parking facilities?**
  If unsatisfied, why are you unsatisfied?
- **How satisfied are you with the lorry parking facilities?**
  If unsatisfied, why are you unsatisfied?
- **How satisfied are you with the manoeuvre conditions/truck court depth?**
  If unsatisfied, why are you unsatisfied?
- **How satisfied are you with security?**
  If unsatisfied, why are you unsatisfied?
- **How satisfied are you with the office space leased in the warehouse?**
  If unsatisfied, what are you unsatisfied with?
- **How satisfied are you with the rental level in relation to the size, type and quality of the leased space?**
  If unsatisfied, why are you unsatisfied?
- **How satisfied are you with the service charge (taking into account method of evaluating/calculation, fairness, stability throughout the year and lease period)?**
  If unsatisfied, why are you unsatisfied?
- **How satisfied are you with the warehouse management (taking into account friendliness, availability, responsiveness, understanding needs, presence on site)?**
  If unsatisfied, what are you unsatisfied with?
- **How satisfied are you with the maintenance of the warehouse (internal and external)?**
  If unsatisfied, what are you unsatisfied with?
- **How satisfied are you with improvements made to the warehouse and its surroundings during the period of your lease (taking into account infrastructure improvements, building and improvement of access roads)?**
  Please comment on improvements made or improvements which need to be made.
- **Does the warehouse space you lease match your current needs?**
  Yes / No (If not, what are you lacking?)
- **If you were looking for warehouse space now, would you lease space in this warehouse again?**
  Yes / No (If not, why not?)

Proposed list of warehouse schemes to be surveyed

NAME OF PROJECT	YEAR(S) COMPLETED	TOTAL EXISTING LEASABLE SPACE	TOTAL OCCUPIED SPACE	OCCUPANCY RATE (PCT)
ProLogis Park Wrocław	2005-2007	167,800	166,000	99
ProLogis Park Wrocław III	2005-2008	131,000	86,500	66
ProLogis Park Poznań II	2005-2007	120,000	112,600	94
ProLogis Park Gdańsk	2007-2008	91,000	85,000	94
ProLogis Park Chorzów Phase I	2006-2009	144,800	131,500	91
Panattoni Park Mysłowice	2007	125,000	125,000	100
Panattoni Park Łódź East	2008	92,300	85,839	93
Panattoni Park Poznań Phase I	2007	154,000	14,861	96.5
Panattoni Park Poznań II	2008	92,300	89,631	97
Panattoni Park Wrocław I	2007	83,200	83,200	100
Tulipan Park Stryków	2006-2008	163,100	143,900	86
Tulipan Park Gliwice	2008-2009	114,700	84,000	73
Tulipan Park Poznań	2007-2009	112,500	105,900	94
MLP Pruszków I	2006-2008	164,870	145,681	88
MLP Tychy	2000-2008	96,000	73,648	77
Diamond Business Park Piaseczno	2000-2007	60,800	56,200	92
Diamond Business Park Gliwice	2007-2008	47,500	39,000	84
Europolis Park Błonie	1999	176,000	125,000	71