

## Global Office Landlords See Uptick in Lease Renewals

By Paul Bubny

More than 80% of global office landlords are seeing an uptick in lease renewals thanks in part to their emphasis on creating elevated workplace experiences, according to the fifth annual VTS Global Landlord Report. Just 41% of landlords are prioritizing lease-up of vacant space.

VTS said 57% of landlords surveyed prioritize the retention of current tenants, with 56% enhancing property management and tenant experience to do so. Although the VTS Office Demand Index has shown an increase in new demand for six consecutive months, the office market remains fragile, and owners therefore are focusing on tenant retention and lease renewals, with technology being a top asset, followed by outdoor communal areas and property operations.

“We are witnessing a conviction for a strong return-to-office in 2024 in contrast to years prior, and while positive for the market, it is becoming increasingly crucial for landlords to remain competitive to meet the evolving demands of tenants for enriched, interconnected workspaces,” said Nick Romito, CEO of VTS.

He continued, “The strengthening of tenant relationships has driven meaningful results to landlords thus far despite market challenges, and we are continuing to see a culmination of tactics being deployed to put the needs of the tenant at the forefront of their strategies, which will be paramount to their success in 2024.”