
TENANT SATISFACTION

PART 1 – UNDERSTANDING THE ISSUE

GCP aims to create supportive, affordable communities where people enjoy living and staying. As a specialist in residential real estate, tenants' satisfaction is fundamental to the success of our business and is at the heart of everything we do. Our business model, which centres around asset repositioning, is driven from the outset by our desire to directly contribute to improving the quality of life of our residents.

Our tenants – who are our primary customers – represent a range of social, economic, and cultural backgrounds, of which a high proportion consists of households with lower than average incomes. Understanding each property's tenant profile and their specific needs is therefore vital for influencing our management approach and directing our investments in operational improvements such as community facilities and social programs.

Throughout the tenant lifecycle, tenants' interests are top of mind not just for our Service Centre and operations teams, but throughout our whole company. As such, increasing tenant satisfaction is a primary focus of our efforts and is integrated throughout every process, from employee training to customer service. We place a particular emphasis on the need for our employees to be empathetic and approachable, and our philosophy is bound by the idea that tenants can contact us for anything, at any time.

Tenant satisfaction therefore is a prime indicator of our performance as it translates into high occupancy rates, which contribute to strong long-term returns.

PART 2 – MANAGING THE ISSUE

Our approach to tenant satisfaction is underpinned by three strategies:

1. Investing in building infrastructure so that we can offer tenants a higher standard of living in safe, comfortable, efficient and attractive buildings with additional amenities
2. Providing outstanding customer service through the GCP Service Centre; face-to-face contact and other points of contact
3. Active community involvement to promote a strong sense of neighbourliness and connection with the local community

During 2020, we created a Tenant Satisfaction Policy to strengthen our approach and emphasise the importance placed on tenant satisfaction at every stage of the tenant lifecycle, regardless of whether a contract is in place. Integral to the management of tenant satisfaction, the policy also details how GCP measures the satisfaction of tenants to understand performance, address any issues that may arise, and ensure the continuous improvement of our approach.

Tenant service

GCP's customer-led approach begins at the very start of the individual tenant journey. The GCP Service Centre is open for prospective tenants 24/7, with rapid response on requests for information in multiple languages and arrangement of property viewings. Thereafter it continues to be available to signed tenants for all types of day-to-day issues that require landlord assistance, throughout the duration of their occupancy.

If tenants have personal challenges, they can count on the support of GCP's Community Relations teams and on-site staff to assist in matters such as communication with schools and local authorities and overcoming language barriers. Through the course of their tenancy, GCP's customers benefit from the roll out of structural improvements within their building, and the ability to co-create and participate in social activities for their residential community.

We seek to constantly surprise our tenants with a continuously improved service that exceeds what have become standard expectations, for example, through our tenant portal which provides all our tenants with an exclusive special offer program, including shopping discounts that aim to make day-to-day errands easier.

Over the past couple of years, we have also placed a

particular emphasis on improving the digital access to our Service Centre. In 2020 we redesigned our tenant app, establishing a way for tenants to create service requests as well as track the progress of the request and re-open the case if required. This initiative has been particularly valuable in ensuring that all tenants have a way of accessing the Service Centre, and evidences the validity of our approach to customer service which meant we were well placed to support our tenants and address all their needs throughout the coronavirus pandemic. For more information on how we have been supporting our tenants through COVID-19, please see below.

Feedback received from tenants is used to support continual improvement. By nature of its ticketing system, the GCP Service Centre enables us to build up a valuable dataset on service performance, which in turn helps us to eliminate sources of tenant dissatisfaction through a preventive approach and identify further ways in which we can improve living standards.

We track and review quantitative indicators of customer satisfaction on a continual basis, covering the tenant lifecycle from their first interaction with GCP as a prospective tenant, through to departing tenants when they leave one of our properties. After each service request has been closed, a survey is issued to the tenant who is asked to assess GCP's performance in terms of friendliness; reachability; quality of work conducted and time to resolution. To learn about our performance in 2020, see below.

Tenant engagement and communications

In keeping with our efforts to enhance tenant satisfaction and offer outstanding customer service, we place significant importance on direct interaction and dialogue.

After GCP acquires new properties and begins to plan for structural investments, we liaise closely with tenants' associations to make sure that the improvements proposed are aligned to tenant needs. Throughout the operational management phase, tenants rely on receiving effective information, advice, and assistance from GCP as their building operator.

GCP employees address tenants' concerns through direct interaction as well as via the GCP Service Centre. With a commitment to maintaining a 24-hour response time, the GCP Service Centre is contactable via toll-free numbers; by email; the GCP app; the GCP Portal and various 'chat' platforms. It uses a ticketing system developed by GCP that enables all tenant concerns to be documented and addressed consistently. To ensure wait times are kept to a minimum, our goal is to answer 95% of calls in under 20 seconds. In order to deliver first class service even at peak times, tenants can decide to receive a call-back.

The successful running of the GCP Service Centre and other tenant engagement channels is heavily contingent on the ability of our staff to listen and respond effectively, and to cultivate open communication and trust. Hence customer service excellence is a core aspect of staff training. All new employees in the GCP Service Centre receive one month's training in house, immersed in GCP's theory and practices, involving shadowing experienced staff; 'role play' calls and training in conversational standards. Continuous training is part of the job for all staff, including monitoring from 'call listeners' and group debriefs in a convivial atmosphere. Customer service is also an integral part of GCP's Leadership Program, reinforcing GCP's visible management commitment to utmost professionalism in service.

Our Service Centre boasts TÜV certifications for Proven Service Quality, certified by the TÜV Nord in March 2021, and Quality Management (DIN EN ISO 9001:2015). The quality management certification, confirmed by the independent auditor TÜV Profi Cert Hessen in March 2020 (and re-confirmed February 2021), provides assurance that the Service Centre is being managed on a very rigorous basis with regards to stakeholder engagement; risk management and continual improvement. In 2018, GCP's customer service by telephone received the best rating out of 11 major property companies tested by the German Institute for Quality Service (DISQ), adding to our confidence in the efficacy of GCP's approach.

Community investment, new housing and residential concepts

In our role as asset owner and property manager, GCP has the opportunity to generate significant added social value by enhancing the living conditions offered to tenants. GCP's asset repositioning strategy – from asset selection and acquisition through to our active management approach – is geared towards the development and improvement of residential concepts and in particular the creation of family-friendly living environments.

In the first instance, we source assets which offer potential for structural improvement and higher quality management. Information about a property's tenant profile as well as demographic and social indicators within the surrounding neighbourhood are considered as part of GCP's due diligence assessments, helping to inform the

Company's investment approach and management of social risks which could infringe on tenants' quality of life.

These structural investments and operational improvements enhance residents' health and wellbeing and foster a greater sense of neighbourliness that benefits all tenants in a property. GCP likewise benefits through longer average lease terms as tenants often choose to stay longer in high quality housing with a strong community.

Our social engagement strategy further leverages our potential to invest in shared spaces in and around our residential assets to promote community events that boost tenant satisfaction and retention rates, as well as meeting local needs. The extent of GCP's approach is unique among the German residential sector, and we offer an extensive range of facilities and tenant events designed to bring neighbours together, creating a sense of pride in their shared building and its surroundings, and enabling us to develop personal relationships with our customers.

Community facilities like indoor and outdoor playgrounds, fitness trails, BBQ areas and tenant libraries create spaces where people can congregate and build relationships, supporting health, wellbeing and educational development (such as tenant libraries), and offering venues for seasonal celebrations such as Easter, summer fêtes and Santa Claus visits for Christmas (see Part 3 – Performance for more information).

By working closely with local authorities, policy-makers, and non-profit organisations, we also channel investments towards services and infrastructure that can bring the greatest benefits to residents. One example is our cooperation with local non-profit organisations that provide educational assistance as well as general care for children living in our properties. GCP supports these organisations by offering rent-free access to housing units or commercial space, as well as furniture, equipment, and funds to cover operational costs.

We also provide cash and/or in-kind funding to local organisations that deliver social benefits to tenants and the wider community in neighbourhoods where we are present. Examples include playgrounds or sports pitches, as well as funding services such as educational support programmes, sports clubs, and social network groups.

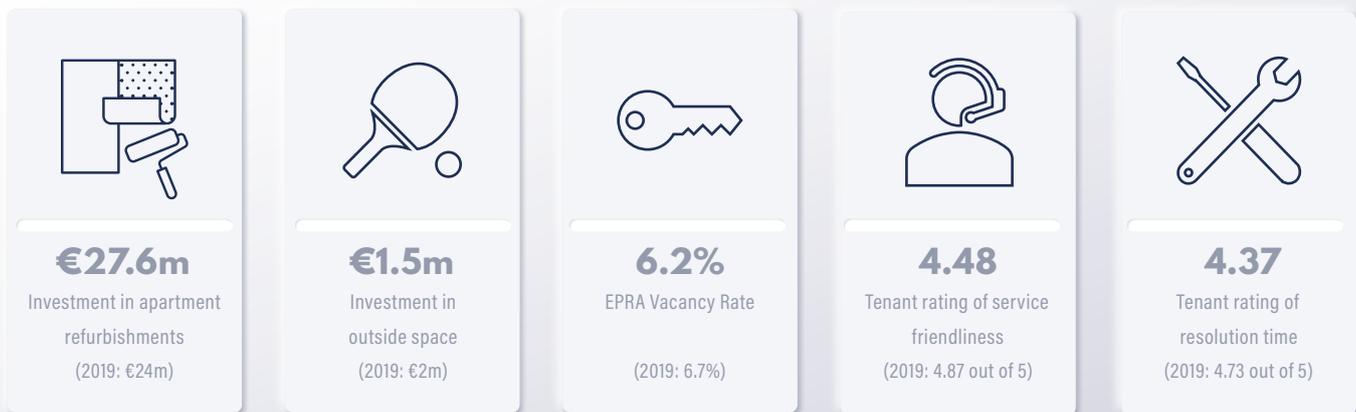
GCP currently lets 25 units rent-free (with the majority also being provided with free utilities) for social and/or charitable purposes, equivalent to a donation of approximately €150,000 p.a. in unexploited rental income.

PART 3 – PERFORMANCE

Long-term Goals and 2020 Performance

To guide the implementation of our sustainability strategy and track our progress, we have developed several long-term goals that we are continuing to work towards:

- Create a high standard of living at our properties through safe, attractive buildings, active community building and engaged customer service
- Retain residents by actively fostering tenant loyalty, by creating supportive, affordable communities where people enjoy living and staying
- Continually enhance tenant satisfaction levels with regard to all assessment areas
- There are several key figures which we track on a yearly basis to monitor our performance and contribute to our long-term goals:



We continued to invest in upgrading our apartments and outside space during 2020, increasing our spending on the former by €3.6m. Our EPRA Vacancy Rate, a key indicator of our tenant's satisfaction, remained strong with the vacancy rate decreasing by 0.5% on a like for like basis over the past year which indicates more of our tenants are choosing to stay longer in our properties. In addition, as evidence of the validity of our customer service approach and an incentive for GCP staff to keep up their excellent work, in 2020 GCP was rated 4.48 (out of 5) for Service Centre friendliness; 4.45 for reachability; 4.38 for quality of work and 4.37 for resolution time. Despite

our ratings falling slightly lower than those reported for 2019, this is a noteworthy achievement considering the challenges brought on by the coronavirus pandemic as staff transitioned to work remotely full time as well as potentially higher than usual levels of stress for our tenants and employees, both personally and professionally. Our target is to improve our score across all indicators year-on-year, aiming for a minimum performance of 4.5.

As well as our KPIs, in 2020 we set a target to establish a loyalty program to increase the satisfaction of our tenants. Below, we have described the progress against our 2020 target:

2020 target	Status	Progress
Develop a loyalty program for tenants	Ongoing	To lay the foundations of the loyalty program, the app was refreshed and redesigned during 2020 to ensure optimum usability and increase the number of tenants downloading and using the app. Making the app more appealing and engaging was a vital step for launching the loyalty program in 2021 and provides the building blocks for future functionalities. To increase awareness and participation, we rolled out a marketing campaign in 2020 including a promotion which meant that tenants could win a GCP branded face mask if they downloaded the app.

Significant activities

Adjusting tenant engagement activities during COVID-19

Engagement with our tenants through events is a key part of our social engagement strategy. When COVID-19 spread quickly in early 2020, our ability to host physical tenant activities and events was halted. Knowing that these activities are something that our tenants look forward to, we worked hard to host events in a way which was COVID secure. Our annual Christmas campaign is one example which normally consists of around 50 events which take place in various locations throughout Germany. In 2020, 'Christmas magic with GCP' shifted to a virtual campaign. The virtual activities consisted of personalised greetings from Santa Claus, baking sessions, and a social media contest where tenants could win a voucher by posting a photo of their bakes. Tenants could also register for their children to receive a Christmas gift. Given the importance of this annual event to our tenants, and the ongoing hardships presented by COVID-19, it was more important than ever for us to create positive social interactions. By switching to a virtual event, we were able to reach a much wider selection of our tenant base regardless of their location, including prospective tenants who were invited to join the fun.

As local and national lockdowns were announced throughout Germany, we also looked at innovative ways that tenants could make the most of being confined to their apartments, while fostering shared experiences. We hosted a number of activity-based interactive events including baking and art. One example was an initiative called 'We Make it Pretty', where tenants were encouraged to decorate their balconies, and the tenants with the most creative balcony were awarded a voucher.

Maintaining a first-class tenant experience

Maintaining our outstanding customer service remained our focus throughout 2020 as we adapted our approach to account for COVID-related restrictions and the desire to ensure the safety and wellbeing of our tenants. We reacted quickly, for example, by conducting tenant consultations over the phone when in-person meetings were not permitted. Through our website, tenants could call the GCP Service Centre and directly book meetings with a Property Manager. In situations where tenants requested face-to-face meetings, we took every precaution to accommodate the request and ensure they could be conducted as safely as possible with adherence to our company guidelines and government recommendations.

We also reinvented how we interact with prospective tenants to ensure the continuity of these services despite social distancing. We did this by switching tenant viewings to digital, offering a live virtual tour of our apartments, a virtual 360 tour, and a pre-recorded video tour of the specific apartment that the tenant would be renting to provide a detailed view of the condition of the accommodation. At the customer's request, we also provide a virtual tour of the common areas. Recognising that digital services will become a permanent and potentially more prominent part of the tenant experience in the future, in 2020 we invested in a functionality that would allow our tenants to sign their leases remotely. This is currently in the pilot stages and will be rolled out across the portfolio in 2021, increasing the future resilience of our services to similar challenges.

Providing additional support during the COVID-19 pandemic

As the global pandemic brought unprecedented uncertainty and placed a large strain on people both personally and professionally, we recognise that 2020 was a particularly difficult time for many of our tenants. In addition to the legal regulations, we provided support to our tenants by extending the deferral of rent payments, enacting long-term payment instalments for heavily affected tenants, and halting rent increases. We also made no evictions that pertained to difficulties regarding rent payments.

The refresh of our tenant app during 2020 not only provided a more user-friendly experience but enabled tenants to create service requests as well as track progress and re-open the case if required. This functionality, paired with 24/7 availability of our Service Centre, means that we are always reachable for our tenants. For example, for our most vulnerable tenants, we made every endeavour to fulfil their requests, no matter how small, from collecting their post to ensuring their waste was collected. Our philosophy of helping our tenants with anything they need meant we were well prepared to deal with the challenges of COVID-19 and were available for those who just needed to talk.

To ensure that the additional support we were providing was in line with our tenants needs, we took steps to continuously measure our tenant's priorities. By understanding what our tenants were concerned about such as regular cleaning schedules, we were able to focus our efforts in these areas and ensure that our tenants felt their voices were being heard.

Priorities for 2021

To contribute to our long-term goals and focus our efforts in 2021, we will launch our tenant loyalty programme with a particular focus on promotions and services that encourage tenants to adopt more sustainable lifestyles whilst rewarding their loyalty and increasing their overall satisfaction. To measure the ongoing success of the programme we will set KPIs to track participation.

Despite the challenges introduced by COVID-19, we have implemented several additional offerings to provide support to our tenants and increase their satisfaction during this time. These include virtual viewings, the ability for tenants to book personal appointments at their convenience over set tenant hours, and ticketing through the GCP app which allows for the creation, tracking and re-opening of tenant service requests. Given their value to tenants, we will continue these services during 2021.

Data tables

Key Figures	Unit	2018	2019	2020
Tenant satisfaction				
Tenant rating of Service Centre friendliness	out of 5	4.77	4.87	4.48
Tenant rating of Company friendliness	out of 5	4.77	4.83	4.40
Tenant rating of resolution time	out of 5	4.51	4.73	4.37
Tenant rating of service reachability	out of 5	4.74	4.76	4.45
Tenant rating of quality of the completed work	out of 5	4.66	4.75	4.38
Vacancy				
EPRA Vacancy Rate	%	7.1	6.7	6.2
Investments in tenant wellbeing				
Investment in apartment refurbishments	€m	n/a	24	27.6
Investment in outside spaces	€m	n/a	2	1.5
Investment in fire, life and safety	€m	n/a	2	2.3