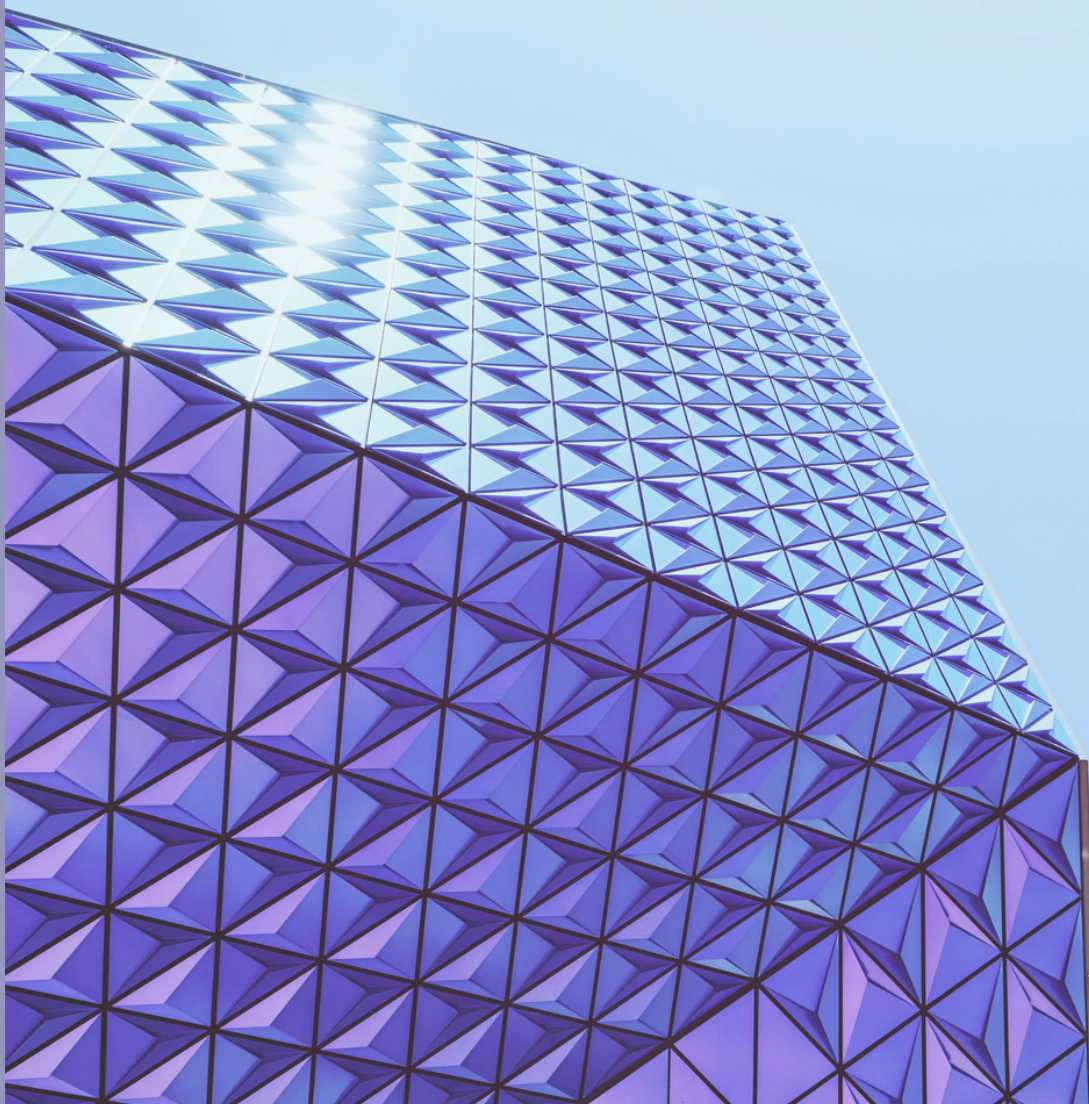




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2023 GLOBAL REAL ESTATE TALENT TRENDS REPORT



Global Real Estate Outlook Report, Issue 1, 2023

Welcome to our first edition of The Global Real Estate Outlook Report 2023.

In the last few years, we've seen unprecedented disruptions in how, when, and even why we work. It has become increasingly important to understand what drives ourselves and our employees. Studying and understanding these dynamics embedded in the broader macro environment is at the center of what we do.

Despite economic instability and an impending global recession, the talent market in global real estate remains highly competitive. Employers need help hiring and retaining top talent in a market that arguably continues to skew in the employees' favor. Employees continue to be more demanding and discerning, and employers must continue to adapt accordingly.

This is the first issue of a new series assessing the critical trends in the global real estate market and their likely impact on talent acquisition and retention for private equity real estate funds. This report includes our thematic predictions for the real estate talent market in 2023. Future topics will include a deep-dive in how we think about attracting and retaining talent, diversity, ESG, among other topics.

We hope you find it informative and valuable.

US Real Estate Team

Talent Predictions for 2023



INCREASING DEMAND FOR CHIEF OPERATING OFFICERS

Real estate firms are increasingly seeing a need for COOs with robust and cross-functional execution skills that allow them to achieve their growth goals faster. Currently, the key driver for hiring into this role is the perceived need to solve business development and strategy questions, for example, whether to focus on organic growth or acquisitions. The definition of a COO and their scope of responsibilities varies across organizations but we are increasingly having discussions surrounding this "athlete" type of talent.

MORE FIRMS EYING RETAIL DISTRIBUTION

Blackstone, and others,' success in raising retail capital through non-traded REITs has fueled other firms' curiosity regarding the building out of their own retail distribution channels or leveraging of 3rd party channels that would help diversify their capital base. The build out of the retail distribution channel, even with the support of 3rd party channels, requires extensive infrastructure and human capital investment.

CREDIT BUSINESS BUILDS SIGNAL MORE COMMERCIAL INVESTMENT OPPORTUNITIES

Many commercial real estate businesses are building or rebuilding new credit businesses to take advantage of increasingly attractive investment opportunities and offer investors a broader suite of investment solutions. Activity in this area may be a sign of continued investor consolidation as some businesses look to leverage the depth of their existing investor relationships to fuel the growth of new verticals.

AFFORDABLE HOUSING DEMAND REMAINS STRONG

Demand for affordable housing in the US remains robust and insulated from macroeconomic conditions. Some investors view this asset class as an ESG-positive way to burnish their reputation. This activity has resulted in larger firms seeking a more "dynamic" approach to affordable housing and sustained some of our development-oriented hiring activity.

INCREASED EMPHASIS ON PROJECT MANAGEMENT FUNCTION

Many organizations are differentiating between sales and project management functions within their IR teams. While capital raising hiring activity remains robust, there has also been an increased emphasis on the project management function, which may include hiring COOs or Heads of Project Management to act as strategic partners in fundraising strategy as well as team managers.

INCREASING CROSS-POLLINATION OF INFRASTRUCTURE AND REAL ESTATE

This cross-pollination trend is most pronounced in the digital infrastructure/data-center sectors and transportation-related assets, where investments could fall into real estate or infrastructure. ESG initiatives and climate change have also placed an increased emphasis on real estate's role in decarbonization.

Talent Predictions for 2023

INCREASED TALENT MOBILITY

Despite much job shifting over the past couple of years, we expect equal or greater movement over the next year as senior executives' long-term compensation is likely to decrease during the coming downturn. Greater differentiation among firms' performance will weigh into how candidates value their existing benefits versus what they could get at a new firm, especially at the more senior levels where long-term compensation (often carry) has historically created "golden handcuffs."

MULTIFAMILY HIRING REMAINS ROBUST

Hiring for multifamily executives across role types has continued to be robust despite some categories being less active. For example, while affordable housing continues to be active, hiring for single-family homes for rent roles has been a quieter.

ESG CHALLENGES AND OPPORTUNITIES

Most firms are working through how to measure the ESG impact of their portfolios, leading some to create and hire for ESG-specific leadership roles. The S (Social) of ESG is driving thoughtfulness and around diverse hiring. The E (Environmental) of ESG has received increased emphasis as decarbonization is considered portfolio-wide. As ESG is an area where the US has historically lagged behind European counterparts, this also suggests there may be an opportunity to model existing ESG approaches in other geographies.

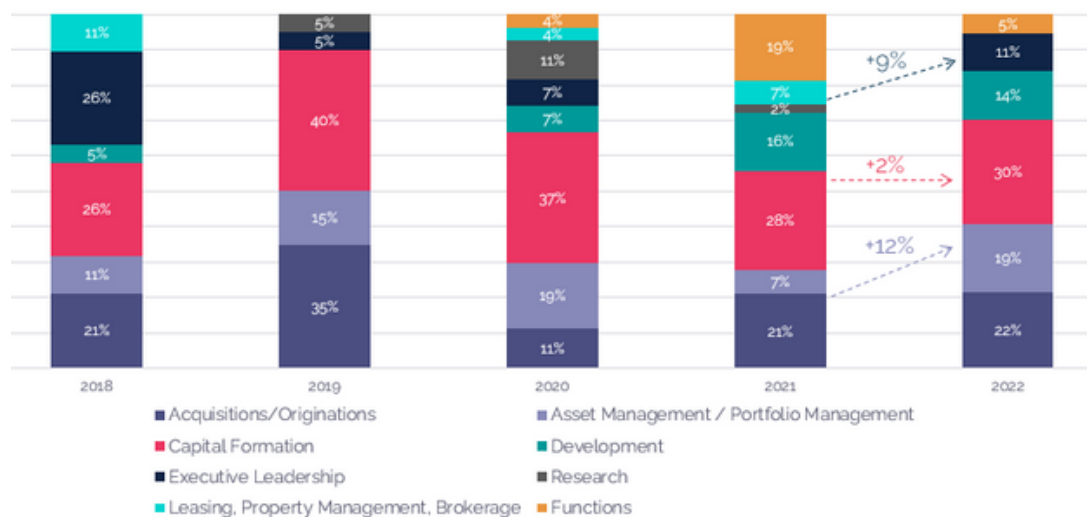
INDUSTRIAL, DEVELOPMENT, ACQUISITIONS HARD HIT

In 2021, hiring activity across Development and Acquisitions was very robust. As the market has turned, some sector "darlings", such as industrial or life sciences, have been harder hit. For Acquisitions roles, activity continues for multifamily and some niche product types, but the appetite is far less pronounced. Development activity is limited to large mixed-use and affordable housing projects that have already secured financing.

WHAT TRENDS DID WE SEE IN 2022?

We saw an increase in hiring for asset management (+12%) and executive leadership (+11%) functions. Investor relations (30%) remains robust, with many searches launching in the second half of 2022.

TRENDS IN ROLE TYPE 2018 TO 2022



About Us

Sheffield Haworth's Global Real Assets team is comprised of experienced professionals from search as well as the real estate industry (development, investments, asset management and capital markets).

Our broad footprint therefore allows us to serve our clients where they are – the Americas, Europe, Middle East, and Asia – providing both local market knowledge and a global perspective on top talent. As an asset class, Real Estate requires a diverse array of talent – from finance specialists to operational professionals. Our team's unique mix of industry and executive search backgrounds enables us to source, assess, and deliver exceptional talent across functions and sectors. While Real Estate remains a local business, firms increasingly span the globe and collaborate with partners from around the world.

We are proud of the fact that, since the Real Estate Practice's inception, approximately 50% of our placements represent candidates of diversity.

Contact Us

To discuss your hiring requirements, please get in touch with us below.

Due to our extensive network of relevant business professionals and our expertise in strategic sourcing to uncover diverse talent pools, Sheffield Haworth's Real Assets practice will give you access to the most skilled candidates on the market. We collaborate with you to find leaders that fit your culture and offer suggestions for incentives that will keep them on board.



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Sheffield Haworth is a global consultancy founded in 1993. We have a history of placing executives in high-impact roles year after year, giving clients a competitive advantage in a fast-changing world. Our vision is to be the leading global consultancy in people and transformational change. We specialise in executive search and interim, talent intelligence, organisation and leadership advisory and organisation change management. Clients benefit from deep industry insights, our wide-ranging networks and high standards of delivery from our global team. We work with private and public companies across financial services, professional and business services, high-growth technologies, and multinational corporates.

Sheffield Haworth has undergone significant growth and expansion since its inception, now employing over 240 professionals in 13 global offices throughout the Americas, Europe, Middle East and Asia Pacific regions. We are proud to be an equal opportunities and disability confident committed employer.



240+

employees globally

1993

Sheffield Haworth
was established

13

global offices

30%

gender diversity
across all practices

10,000+

global assignments
and projects
completed across
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