

Real Estate Firms Bullish on Hiring

Concerns about global instability won't stifle the pace of hiring for U.S. commercial real estate firms, according to a survey by executive search firm **Ferguson Partners**.

Real estate executives expressed growing worries over a plethora of issues, including political instability at home and abroad, rising interest rates and a volatile stock market. But those concerns were superseded by confidence that commercial properties will continue to perform strongly and that more-conservative practices instituted since the market crash leave the sector better equipped to cope with any downturn.

The upshot: The vast majority of the 400 executives responding to the survey — 93% — plan to continue hiring at an equal or greater pace next year. More than half (56%) plan to increase hiring, while 37% expect to continue hiring at the same rate as 2015. Just 7% foresaw a decrease.

"What surprised me was the level of optimism, said **William Ferguson**, co-chief executive of Chicago-based **FPL Advisory**, the parent of Ferguson Partners, which he founded in 1989. "I was expecting people to at least slow down their activity."

The hiring will be concentrated in mid- and lower-level positions. Just 12% of the surveyed firms plan to make senior-level hires, down from 19% last year. By contrast, nearly half plan to fill middle-management positions, and two-fifths will add junior-level spots.

That degree of hiring will present a challenge, given the scarcity of available talent. During the downturn, fewer people entered the sector, leaving a smaller pool of candidates to advance to mid-tier positions. So employers looking to round out their rosters will continue to face fierce competition next year.

Demand is higher for asset managers (29%) than for investment specialists (23%). Ferguson said that reflects increased capital allocations for high-yield investments, which require a greater degree of asset management. He noted that trend is



typically seen later in the real estate cycle.

The survey, conducted annually by Ferguson since 2004, covered a wide range of firms, including REITs, investment managers, pension funds, developers, brokerages and commercial mortgage originators and servicers. ♦