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FERGUSON PARTNERS UNVEILS FINDINGS FROM LATEST CRE COMPENSATION AND HIRING SURVEY

Annual study examining year-end compensation decisions for U.S. real estate companies forecasts a stronger hiring market but modest salary increases and annual bonuses

January 13, 2025 -- [Ferguson Partners \(Ferguson\)](#), the leading talent management and strategic advisory firm for the global real assets industries, announced the results of its 2024-25 Real Estate Compensation and Hiring Pulse Survey, its proprietary study of commercial real estate employment market trends. The annual report examines the latest real-time anticipated compensation and hiring practices, as well as other human capital trends, across all types of real estate companies.

Throughout October and November 2024, Ferguson collected data from 170 public and private real estate companies to gather insights into their year-end compensation decisions. The results indicated modest salary increases and limited changes to bonus pools. On the hiring front, the majority of respondents reported no turnover changes compared to the previous year but firms planning to increase hiring in 2025 is more than three times higher than those with plans to decrease staff. In fact, Ferguson notes executive hiring across the real estate market was up substantially over the last two months of the year.

“Our latest survey demonstrates the real estate job sector is showing signs of life as hiring activity at the executive and C-suite levels returned at the end of the year, and we expect that trend to continue,” notes Graham Beatty, President at Ferguson. “This hiring demand is driven by increased transaction volumes, as well as CEO succession mandates at REITs and PERE firms. Functional hiring has also morphed from a defensive stance approach through asset management to going on the offensive through capital raising, acquisitions and development.”

Charlie Apfelbach, Managing Director at Ferguson adds, “Both public and private real estate companies continue to experience challenges related to the cost, accessibility, and deployment of capital, compounded with years of increases to operating costs, which is impacting employee compensation.

Key takeaways of the survey include:

Workforce and Hiring:

- **The number of real estate firms planning to increase hiring in 2025 is more than 3.5x higher than the number of those with plans to decrease hiring:**
 - Most in-demand functions at real estate firms are finance/accounting, asset management and property management; most in-demand organization level is mid-level employees.

- **Over half (58%) respondents saw no change in voluntary turnover compared to 2023 but an equal percentage (21%) reported increases and decreases in voluntary turnover.**
Most commonly cited reason for leaving was a lack of career mobility and development.

Compensation/Public Companies:

- **While the majority of public companies are expecting to increase salaries (80%), just over one-half (54%) are expecting to increase salaries for executive management.**
 - Average expected increases range from 3.2%-3.4% across employee levels.
 - Salary increases for promotions are anticipated to average 8.7% (or 10% at the median).
- **82% of firms are expected to fund cash bonuses at or above target, with the majority (57%) expecting no change to payouts year-over-year.**
- **Most public companies (80%) are making no changes to their Long-Term Incentive (LTI) structures.**
 - For those making changes (11%), the most common update is changing one or more performance metrics.

Compensation/Private Companies:

- **The majority of private companies are expecting to increase salaries (77%); however, just over half are expecting to increase salaries for executive management.**
- **Salary increases are anticipated to be more prevalent at the mid- and junior-level.**
- **The majority of private companies (59%) expect no change in bonus pools year-over-year:**
 - 61% expect bonuses to fund at target, 32% anticipate falling short, and 7% predict funding above target.
- **More private companies are modifying their LTI programs.**
 - 12% reported implementing an entirely new program to replace the current structure and 8% developing a new program to supplement their current structure.

Annual Bonuses By Sector:

- **Projected bonus payouts vary significantly by sector:**
 - Retail is most likely to increase 2024 annual bonus payouts (35%).
 - The industrial sector, after many years of strong performance and corresponding payouts, is projecting the highest percentage of decreases year-over-year (29%).
 - The sector least likely to see increases is office, with only 13% projecting greater payouts for 2024 - 81% are projecting no change, and 6% are expecting decreases.

Additional details on the Ferguson Compensation and Hiring Pulse Survey are available upon request.

About Ferguson Partners

Founded in 1989, Ferguson Partners has built a reputation as the premier firm dedicated to serving the talent management and strategic advisory needs of the real assets industries. With offices in Charlotte, Chicago, Hong Kong, London, Los Angeles, New York, San Francisco, Singapore, Sydney, Tokyo, and Toronto, Ferguson Partners is unique in combining global reach with a boutique touch and highly specialized approach across four main business lines. For more information please visit [fergusonpartners.com](https://www.fergusonpartners.com).

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