



Talent Trends

What It Takes to Recruit &
Retain Top Real Estate
Professionals in 2022

A SitusAMC Briefing

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Introduction

The year 2021 proved to be one of the most fiercely competitive hiring markets in recent history. More than 20 million Americans quit their jobs in the second half of last year, according to the government's December employment report. The real estate industry is not immune from the phenomenon known as the "great resignation" and the "big quit." Some 60% of companies saw resignations or voluntary turnover in 2021, according to a survey of 300 firms by executive search firm Ferguson Partners.[1] Nearly three-quarters had junior employees leave, while 67% saw mid-level workers depart.

"Millions of workers are rethinking how they want to live their lives after the pandemic, and they are not willing to settle for less," said Holly Mickens, Managing Director of Talent Solutions at SitusAMC. "Despite significant growth in the real estate industry, talent is becoming harder to come by, limiting companies' ability to support business demand."

[1] "Real Estate Market Tighter Than Ever," Real Estate Alert. Green Street. 11 Jan. 2022, p. 1, 8.



In this inaugural Talent Trends briefing, SitusAMC leverages our expertise in real estate talent and market dynamics to provide high-level insights into the state of the labor market. Our goal is to inform better talent decision-making to drive business success. With 2022 continuing to be a hyper-competitive talent market, we look at the key issues driving resignations, items topping the list of candidate demands, and recruiting strategies that have proven most effective.



Millions of workers are **rethinking** how they want to live their lives after the pandemic.

HOLLY MICKENS
Managing Director of
Talent Solutions, SitusAMC

Our Perspective on Key Trends



SitusAMC's Talent Solutions division offers staffing and management of dedicated teams to support all facets of real estate finance execution, including processing and fulfillment, underwriting, servicing and asset management, and IT outsourcing.

Some 70% of our clients are institutional commercial real estate (CRE) lenders with a global presence, including leading banks and private equity firms.

With an exclusive focus on real estate finance, our team of experts leverages their industry knowledge and deep operational experience to source and manage the talent our clients need to run their businesses more effectively and efficiently. We specialize in staffing solutions that are unique, nimble and fast to market.

We partner with clients to help them re-imagine their talent strategies, and integrate flexible delivery models to streamline recruitment, drive cost efficiencies, and find the best professionals at junior and senior levels. Over the last three decades, SitusAMC has built a culture known for collaboration, community and professional development, with robust opportunities for training and growth. The result is strong retention rates and deep insight into how to maintain a motivated and productive workforce.

Following are three key trends we observed in our practice in 2021.

1 Companies Are Hiring Voraciously

More than 157 million people are currently employed in the U.S., and 10.9 million jobs remain open. [2] To add to the frenzy, job creation continues. In January 2022, the U.S. economy created more than 467,000 new jobs, smashing expectations, and the unemployment rate stood at 4%. [3] As the Biden Administration pours even more money into the economy, we can expect the intense competition for talent to continue. In 2021, 53% of real estate companies boosted their workforces by an average of 10.5%, according to the Ferguson Partners survey. [4] Seven in ten firms expect to increase hiring in 2022, by an average of 8.6%. [5]



Given the uptick in hiring, people are ‘window-shopping,’ and are curious about what the market has to offer.

2 Salaries Jumped 15% to 20% on Average

In 2021, the industry started to proactively adjust salaries primarily at the junior levels. This was not only a tactic to attract and retain workers but also a response to the longer hours cited by employees' concerns across the board amid industry growth.



3 Employees Are Gaming the System

Employees are increasingly looking to leverage their bargaining power in the current landscape. SitusAMC has seen many candidates going through the interview process and receiving offers specifically with the goal of negotiating counter offers from their current companies. Given the uptick in hiring, people are “window-shopping” and are curious about what the market has to offer, without being serious about moving. Uncertainty surrounding the current environment has been contributing to this phenomenon. Some candidates are proceeding to the offer stage but then get cold feet and choose to stay at their existing firms, where they have already established credibility. Meanwhile, starting a new role in a remote situation, where employees don’t get the opportunity to fully integrate with their team or management, is not attractive to everyone.

[2] “Job Openings and Labor Turnover Summary - 2021 M12 Results.” U.S. Bureau of Labor Statistics, U.S. Bureau of Labor Statistics, 1 Feb. 2022, <https://www.bls.gov/news.release/jolts.nr0.htm>.

[3] “The Employment Situation - Bureau of Labor Statistics.” U.S. Bureau of Labor Statistics, Department of Labor, 4 Feb. 2022, <https://www.bls.gov/>.

[4] Real Estate Alert, 8.

[5] Ibid.

A Shift in Recruiting Strategies

Given the competitive candidate landscape and slow inflow of direct applicants, recruiters have had to get more proactive in how they source candidates. In 2021, the primary strategies included:

- Embracing passive recruiting on platforms such as LinkedIn;
- Tapping into internal candidates;
- Advertising jobs on an array of social media platforms;
- Sourcing referrals from current employees;
- and engaging in informal networking.

At SitusAMC we leverage our deep connectivity with real estate talent networks and our expert understanding of recruiting platforms to engage and source top talent. Proactive sourcing through digital platforms, such as LinkedIn and Select Leaders, played a major role in our recruiting strategies. A smaller group of candidates came from networking and internal referrals. Just 10% directly applied to our job postings, underscoring the need for a proactive approach.

Where Companies Are Finding Talent

CANDIDATE SOURCE

PERCENTAGE OF HIRES

Proactive Sourcing

60%

Referrals

20%

Direct Applicants

10%

Networking

5%

Internal Candidates

5%

Source: SitusAMC Survey Data

Evolving Candidate Expectations



Recruiting has always been one of the most critical functions for a company. In the current environment, it's more important than ever to understand the priorities and values that candidates consider most important in a potential employer – and the ones that pushed them to walk out the door. Over the last three decades, SitusAMC has combined advanced technology with human skills to manage talent and inspire top performance. We draw on these insights as well as our proprietary data to pinpoint and explain how candidate priorities are changing.

Interestingly, some employees who left for other jobs were not actively seeking a change; they were proactively handpicked by industry contacts or by external recruiters. In 2021, we engaged in deep conversations with hundreds of candidates during interviews, and saw a distinct shift toward three specific priorities.

1 Growth and Learning

While compensation is still a huge consideration for junior candidates, they also deeply value the ways a company can help them develop and grow. They want the opportunity to work on different asset classes, and gain experiences that will position them for higher compensation and title changes. Some 55% of professionals told us they left their current role because it lacked opportunities for training, career development and professional growth. Separately, 10% said they left positions because they desired a broader scope of work.



2 Robust Company Culture

Professionals tell us they are seeking employers that offer a distinct “brand” and vision for their culture. Some 20% of professionals told us they left their firms because of culture issues. When they jump into the job search, more candidates are expecting to go through a “feel-good” recruiting process that demonstrates a personal touch. They look for employers that are serious about promoting diversity, equity and inclusion (DEI), that take the time to get to know and take care of their people, and that build a culture of internal mobility.



3 Better Work-Life Balance

After the upheaval of the pandemic, candidates tell us they want not only traditional vacation days and health insurance, but benefits that support work-life balance and mental health. Some 10% of professionals told us they left their firms because of work-life balance issues. Chief among them: the flexibility to decide where and how the job is done, with options for remote work.

SitusAMC data shows the desire to work from home varies by position and geography. Professionals in middle and back-office functions expressed a greater preference for remote situations than those in front office or client-facing positions. In

addition, people in Tier 2 cities such as Dallas and Kansas expressed a stronger desire to work remotely than those in major metros such as New York and Los Angeles.

Personality, work styles and family dynamics at home can all influence preferences. “Candidates are in the driver’s seat and are asking for more control of their schedules,” said Sonali Dhall, Vice President of Talent Solutions at SitusAMC. “A hybrid ‘back to office’ model seems to be working, at least for now. Employers are having to stay flexible with the changing environment, while still trying to keep employees accountable and productivity levels up.”



SitusAMC spoke with hundreds of candidates in 2021, asking them why they were leaving or had left a previous position. More than half said their jobs did not provide enough opportunities for learning and growth; another 20% departed in search of a stronger company culture. A desire for better work-life balance, or positions that offered a broader scope of work, were each cited by 10 percent of interviewees. The smallest cohort – 5% – quit their jobs due to a relocation.

Why Talent Left

REASONS

PERCENTAGE OF ANSWERS

Growth and Learning

55%

Company Culture

20%

Work Life Balance

10%

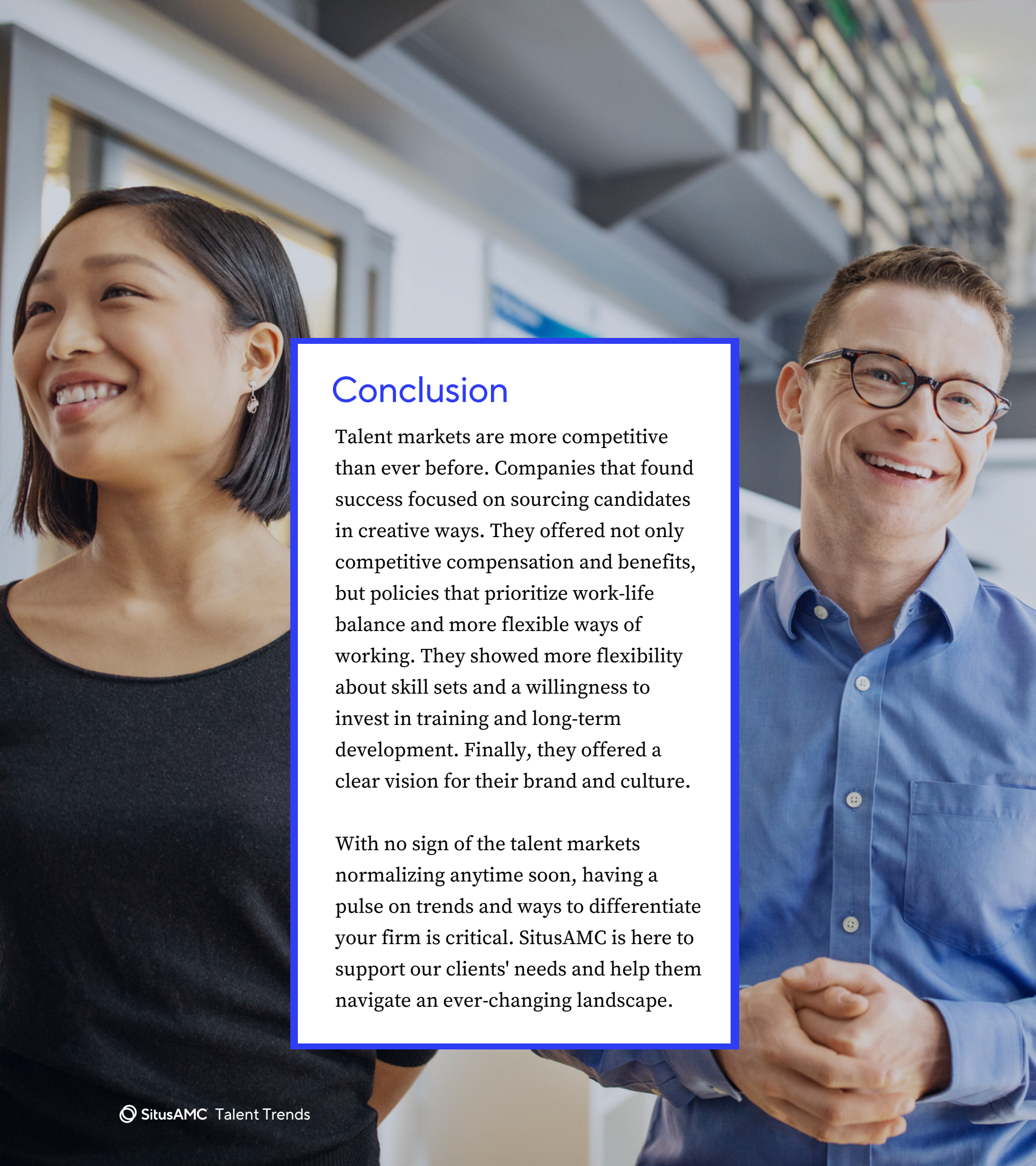
Broader Scope of Work

10%

Relocation

5%

Source: SitusAMC Survey Data



Conclusion

Talent markets are more competitive than ever before. Companies that found success focused on sourcing candidates in creative ways. They offered not only competitive compensation and benefits, but policies that prioritize work-life balance and more flexible ways of working. They showed more flexibility about skill sets and a willingness to invest in training and long-term development. Finally, they offered a clear vision for their brand and culture.

With no sign of the talent markets normalizing anytime soon, having a pulse on trends and ways to differentiate your firm is critical. SitusAMC is here to support our clients' needs and help them navigate an ever-changing landscape.

About SitusAMC's Talent Solutions

SitusAMC's Talent Solutions division works hand in hand with clients to re-imagine their talent models. We partner with our clients to set bespoke strategies to build and manage highly-effective real estate teams. Some of our service offerings include:

- Lift & shift of existing client teams to leverage cost efficiencies
- Flexible delivery models: including end-to-end recruiting process to assist clients in ramping up their teams to meet market demands
- Manage teams in all elements such as performance management; employee and compensation communications; and employee retention and career development
- Market insights around best practices and workforce management

To Learn More About SitusAMC's Talent Solutions, Contact:



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