

The background of the top half of the image is a light blue overlay with silhouettes of several business professionals in a meeting. Some are standing and talking, while others are seated at a table. The overall tone is professional and collaborative.

# RETAINING AND ATTRACTING REAL ESTATE TALENT IN VOLATILE TIMES

RCLCO Monthly Round-Up

**Eric Willett** Managing Director

**Ellen Klasson** Managing Director

**Joshua Boren** Managing Director, Strategic Initiatives

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REAL ESTATE CONSULTING

# TODAY'S PANELISTS



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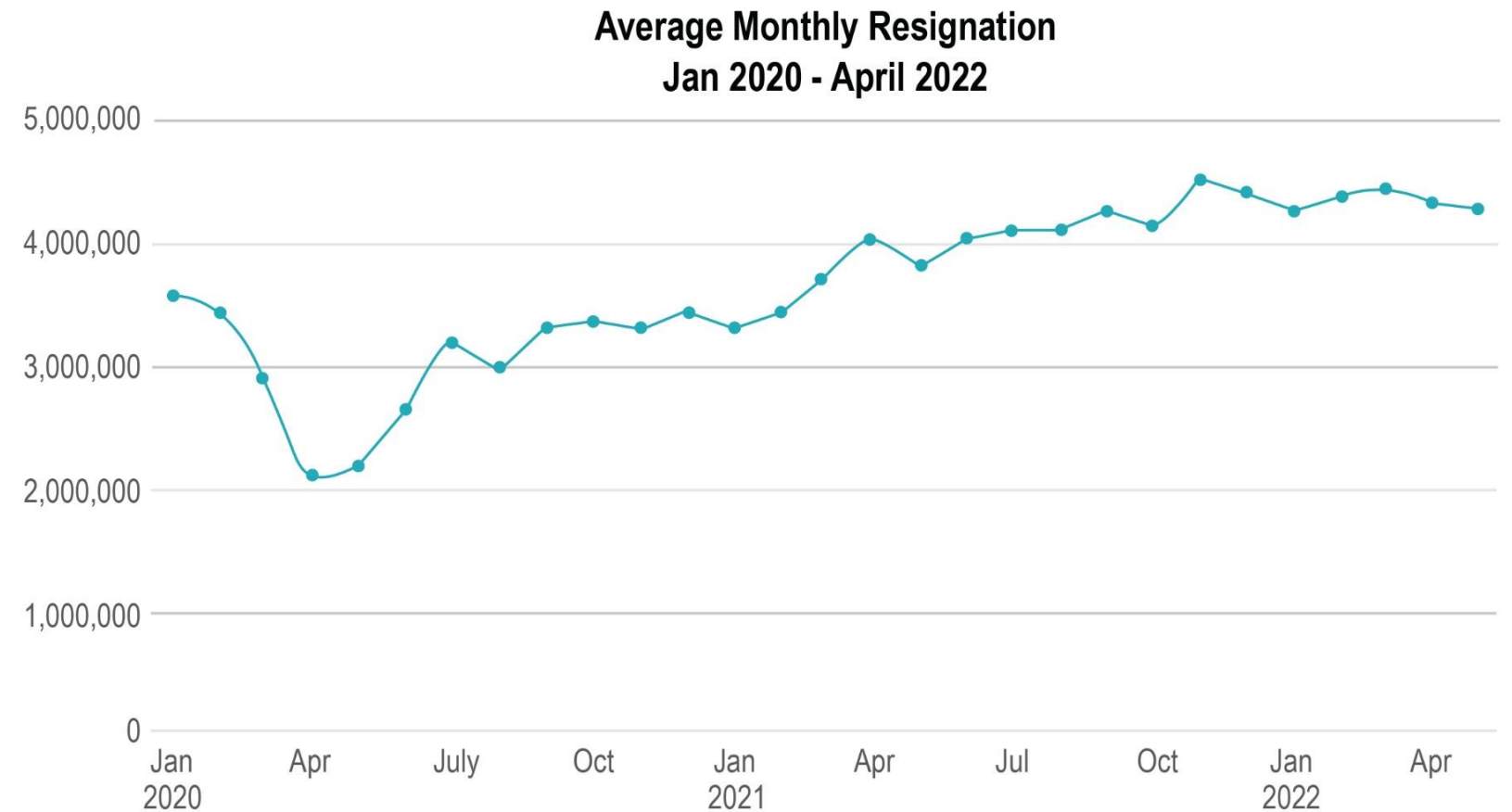
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# AGENDA

- **Current State of the Market**
- **Talent Management Strategies Today**
- **Workplace Expectations**
- **Market Outlook**
- **Q&A**

# THE GREAT RECESSION → THE GREAT RESHUFFLING

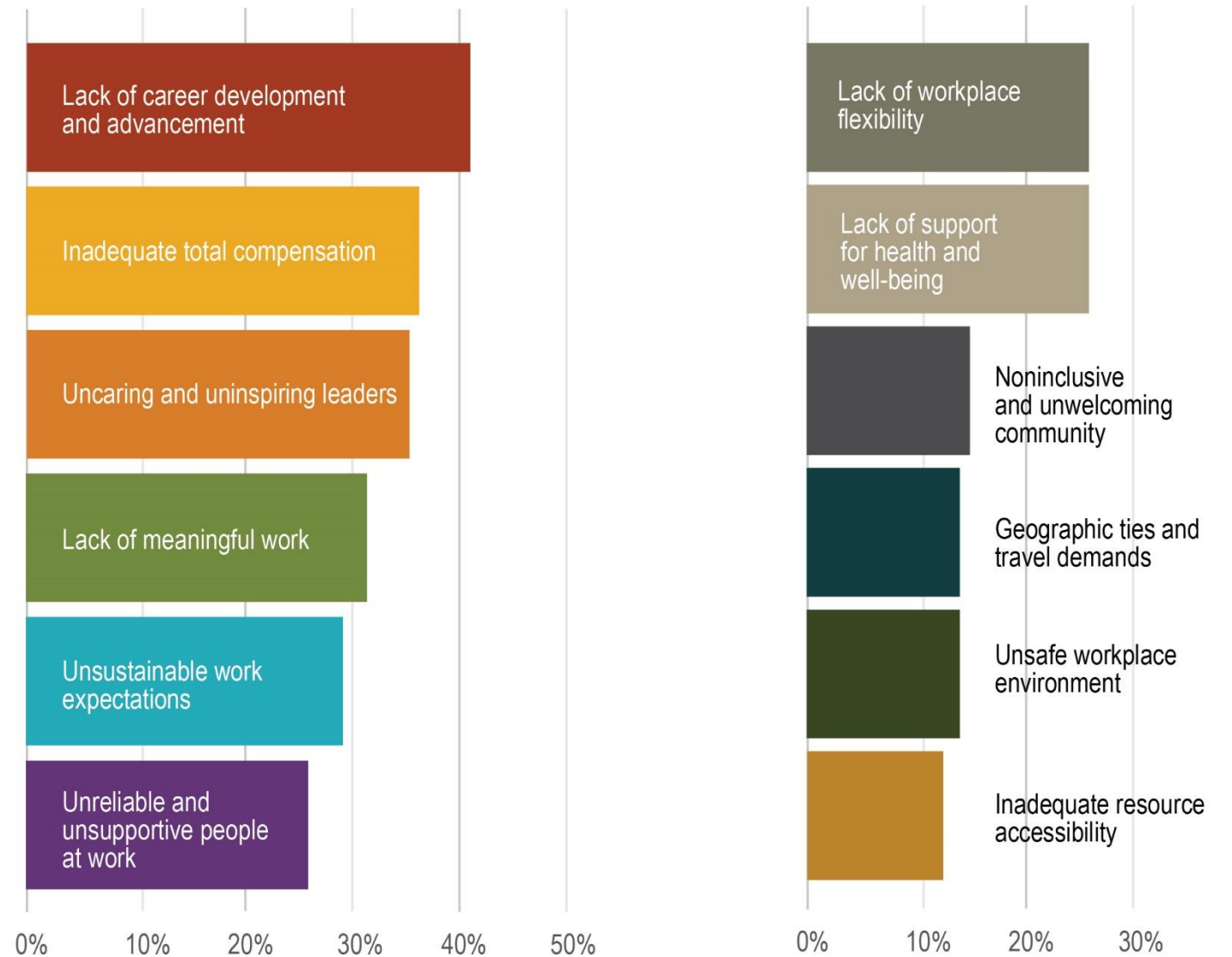
- ▶ Impacts of personal reflections post-COVID
- ▶ Employment growth of many real estate sectors through the pandemic, creating new jobs while also filling vacant ones
- ▶ For the last two years, there have been two open jobs per unemployed worker



# THE GREAT RESHUFFLING → THE GREAT NEGOTIATION

- ▶ The increased number of resignations made way for “leveraging” with new and existing employers
  - » Inflated titles, substantial incentives
  - » New hires earning 20% more on average than existing team members
  - » Desire to find clearer career path and more meaning

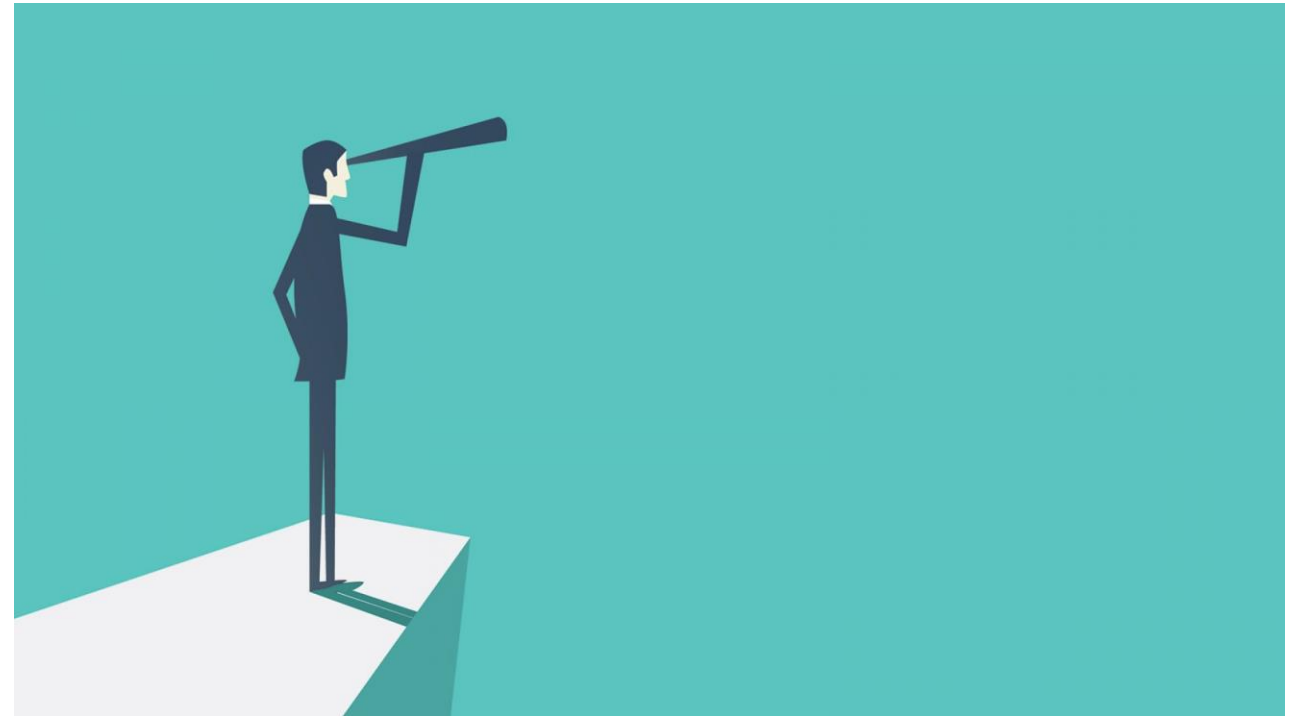
Top Reasons for Resignation Previous Position  
April 2021 - April 2022



Source: McKinsey's 2022 Great Attrition, Great Attraction 2.0 global survey

# THE CHALLENGE OF FINDING TALENT

- ▶ Expense that comes with higher compensation expectations
- ▶ More options given fewer geographic bounds; fewer options with many candidates already having changed jobs in last 12 months
- ▶ Equity issues of existing team
- ▶ Quest for diversity
- ▶ Articulating the company's differentiators and purpose as a sales tool



# THE BEGINNINGS OF A CHANGING MARKET

## ► Inflation

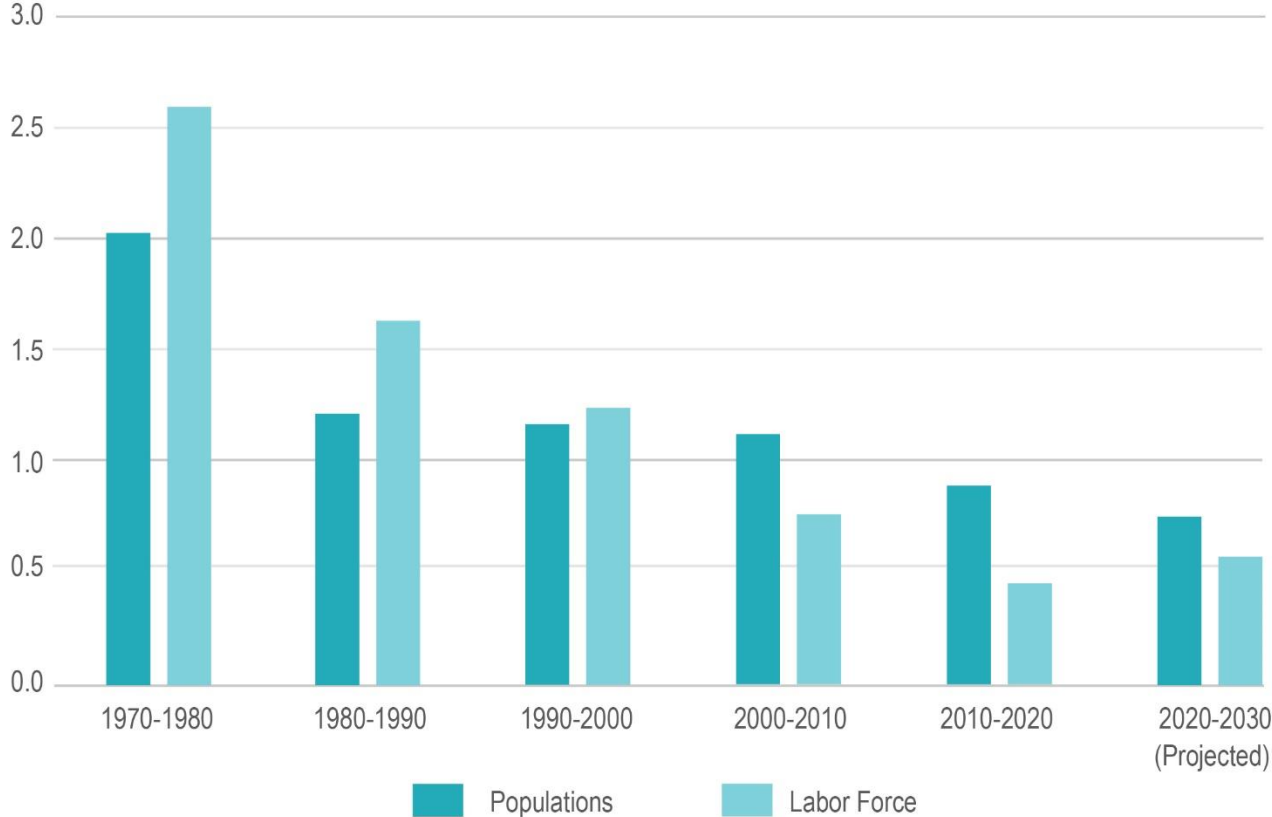
- » The increased compensation for new hires adds to inflation pressures.
- » Despite 9-10% inflation, salaries in real estate companies this year are expected to rise 5-7%.

## ► Potential recession

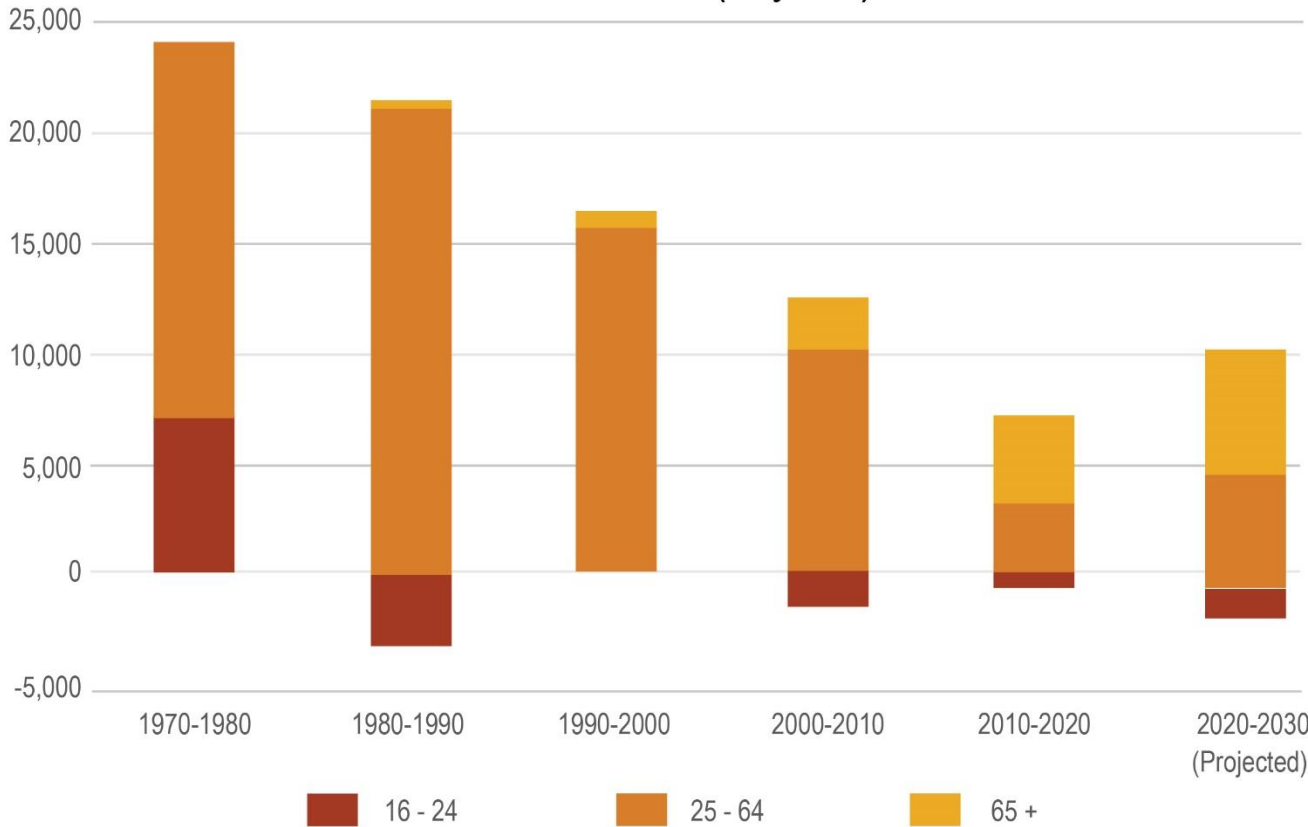
- » We have not seen a significant slow-down in senior-level hiring at real estate firms yet, though companies are planning more strategically before pulling the trigger on hiring.
- » Layoffs are slow to hit real estate, and job growth remains. We could return to pre-pandemic balance this fall at the soonest.

# THE LABOR CRUNCH IS NOT *ENTIRELY* TRANSITORY

**Population and Labor Force 10-Year Growth Rates  
1970 - 2020 and 2020 - 2030 (Projected)**



**Labor Force Growth by Age Group - 10 Year Growth Rates  
1970 - 2020 and 2020 - 2030 (Projected) in Thousands**



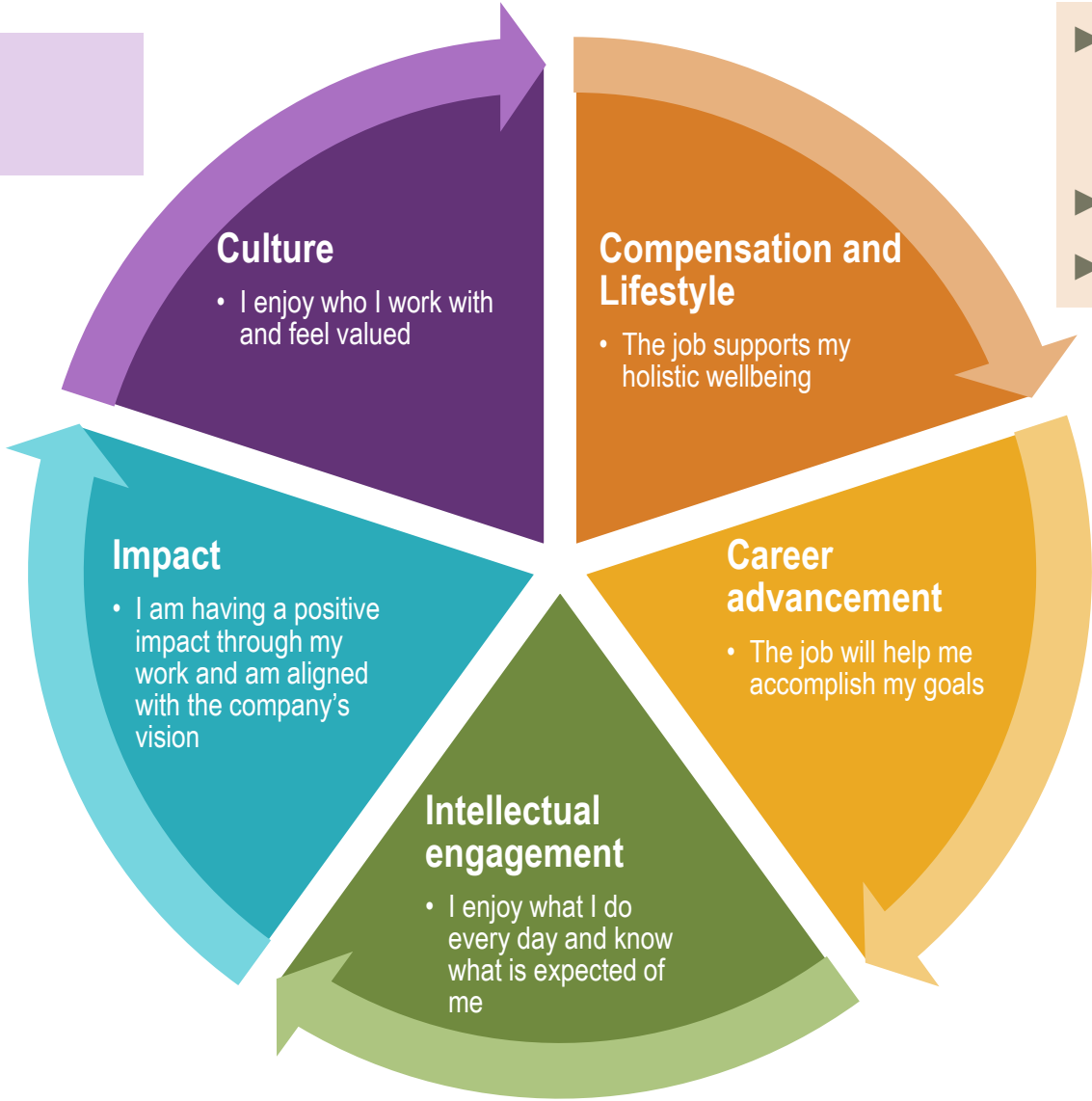


# WE VIEW TALENT STRATEGY HOLISTICALLY



# WE VIEW TALENT STRATEGY HOLISTICALLY

▶ Clearly defined company values that inform decision-making



▶ Increased focus on alignment; looking to thoughtfully structured variable compensation for long-term upside

▶ Holistic wellbeing is key

▶ Workplace flexibility

▶ DE&I efforts

▶ Aligning revenue model with impact

▶ Engagement feedback loop

▶ Clear career path progressions

▶ Comprehensive training

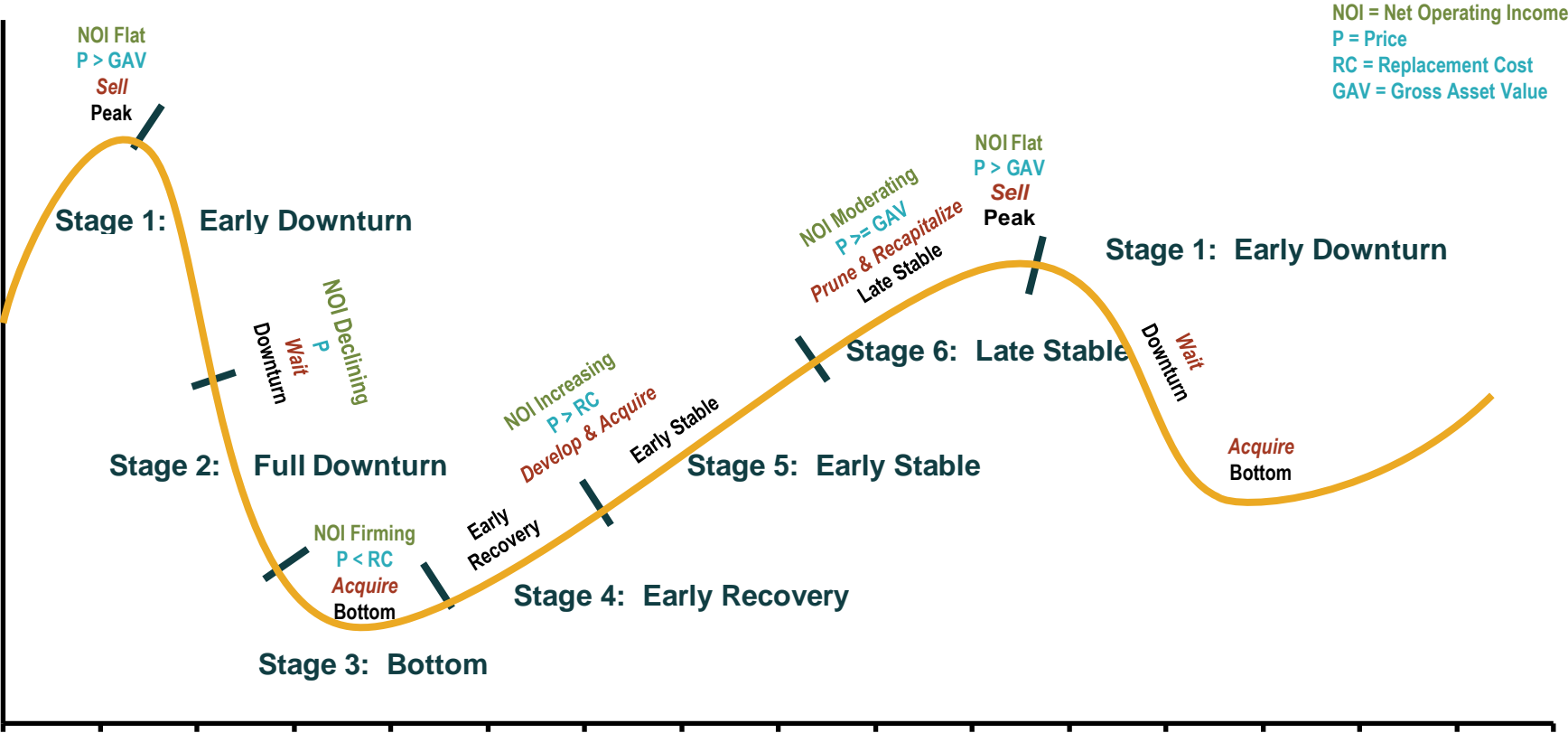
▶ Supportive feedback cycles

▶ Mentorship and talent development programs

▶ Rotational programs & externships

▶ Redesigning the workflow

# TALENT MANAGEMENT SHOULD BE RESPONSIVE TO MARKET CYCLES



Stage 6 Late Stable	Stage 1 Early Downturn	Stage 2 Full Downturn	Stage 3 Bottom	Stage 4 Early Recovery	Stage 5 Early Stable	Stage 6 Late Stable	Stage 1 Early Downturn	Stage 2 Full Downturn	Stage 3 Bottom	Stage 4 Early Recovery
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# THANK YOU! – QUESTIONS?



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