

2019 Hiring Forecast

Survey results and analysis

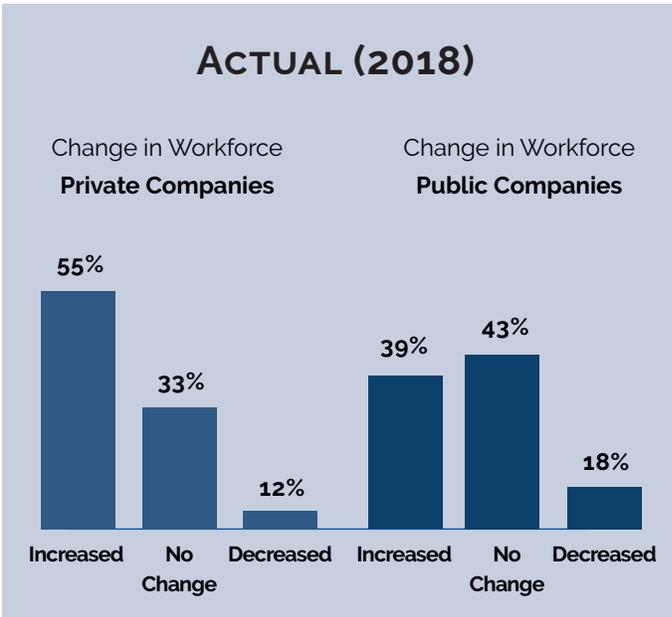
WHAT WILL DRIVE HUMAN CAPITAL DEMAND

The optimism in hiring is driven by a number of factors including the reasonable strength of the US economy, the availability of capital, and low interest rates. Also unlike prior cycles, development is more in check, given the constrained construction lending environment. While many organizations are addressing succession planning, as the Baby Boomers transition out, most of the demand is in middle-management and junior roles, simply because of the fallout in the industry and the lack of hiring post the 2008 recession. But the reality is that at the middle-management and junior levels, demand is consistent throughout.

Functional demand for asset management/property management, operations, and finance is being driven by the fact that assets are fully priced and hence expensive to buy. Consequently, performance needs to be driven by cash flow and value growth within an existing portfolio.

The bicoastal demand in the US is not surprising, as many cities on either coast are enjoying the benefits of the reurbanization of the country. Given that the public markets are discounting the value of REITs presently, the public companies are being more defensive relative to hiring than the private firms.

The three hottest sectors for hiring are infrastructure, logistics/industrial, and healthcare services. The infrastructure demand is being driven by investor interest in the space, as large investment managers develop a real assets capability, which combines real estate and infrastructure under common leadership. The data center industry is also enjoying the benefits of capital flowing into the sector. And this demand is clearly global. The global logistics/industrial demand is being driven by the requirements for global distribution, and by the ecommerce phenomenon gripping the world.



As for healthcare services, demand in this sector is being driven by the aging population in the United States, as well as the consolidation in the sector, where private capital is making significant investments in order to aggregate a smaller number of dominant players, thus requiring new leadership.

Demand is less robust in the commercial real estate space, as some sectors, principally retail and suburban office, are challenged. Given the demographic trends, multifamily will continue to be in demand, although certain markets are becoming overbuilt and fully priced.

FUNCTION IN GREATEST DEMAND



Hospitality is mixed, depending upon the niche, whether it be full-service or limited service as an example. And the restaurant and gaming sector, like hospitality, is benefiting from private capital coming into the sector, driving consolidation and scale.

In the single-family space, the homebuilding business has not generated the type of demand and growth that usually drives strong economies post-recession. There was a huge fallout of talent post 2008 in the homebuilding and residential mortgage finance sectors. And in residential mortgage finance, nonregulated players have usurped the dominant position historically held by the commercial banks, now under much more significant regulatory scrutiny.

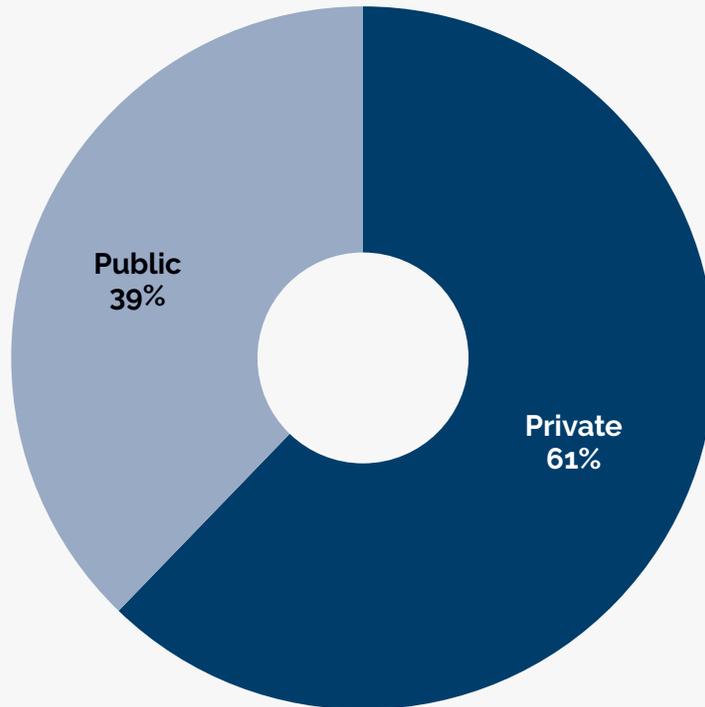
As for the commercial mortgage lending business, the insurance companies and banks have dominated the space post 2008 and have served as a regulator as it relates to risk. While markets are frothier today, it is envisioned that this will continue, and hence the industry should not experience the grossly overleveraged status that triggered 2008. Regarding commercial mortgage

investment, the real estate investment managers are launching value add vehicles.

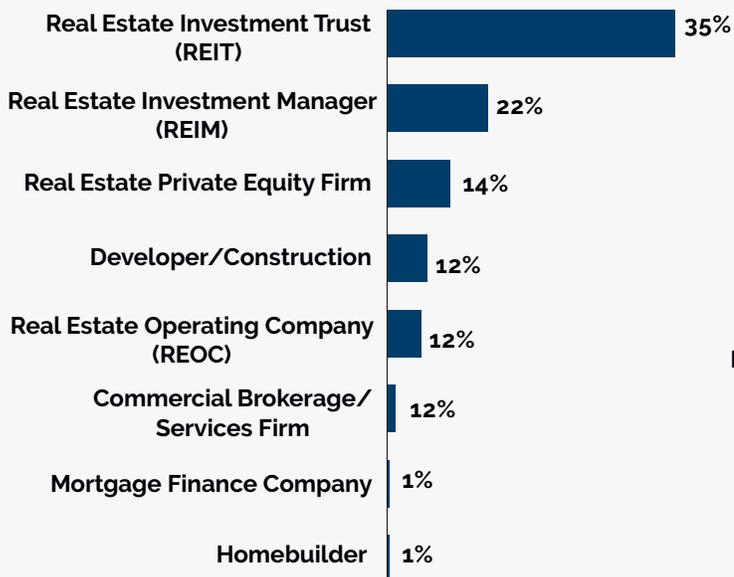
It is hard to envision 2019! Everyone thinks that the industry is due for a slowdown, given rising interest rates and global uncertainty, among other factors. The question is when, not if; but there is no bright warning indicator light flashing in the industry as of yet. The key consideration is whether there will be some exogenous event that triggers a more precipitous drop. Hopefully everyone still remembers 2008, and are managing their balance sheets prudently and taking measured risk. Stay tuned, and do your part!

DEMOGRAPHIC INFORMATION

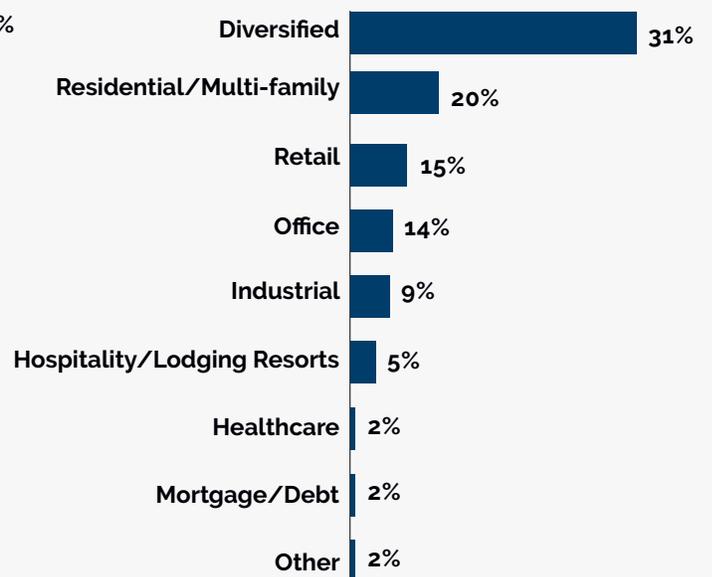
OWNERSHIP STATUS



BUSINESS CLASSIFICATION



PRIMARY PROPERTY FOCUS



Other: Self-storage, data center, timber, and agriculture

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FPL is a global professional services firm that specializes in providing executive and Board search, as well as leadership, compensation, and management consulting solutions to the real estate and a select group of related industries. Our committed senior professionals bring a wealth of expertise and category-specific knowledge to leaders across the real estate, infrastructure, hospitality and leisure, and healthcare services sectors.

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With an emphasis on the right fit, Ferguson Partners offers services in executive and Director recruitment. We also offer a full range of leadership services including CEO and senior executive succession planning, leadership assessment and coaching, and team effectiveness.

FPL Associates

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OUR SERVICE OFFERINGS



OUR INDUSTRY PRACTICES

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Private Equity/Real Estate Investment Managers, Public (REITs) & Private Owners/ Developers, Property Services (Brokerage) Firms, Commercial Mortgage Investment/

Finance, Residential Mortgage Investment/ Finance, Homebuilders, Corporate Real Estate

Hospitality & Leisure

Lodging (Brands/Owners), Gaming Resorts & Casinos, Restaurants,

Sports & Recreation, Amusement Parks & Attractions

Healthcare

Owners/Investors/ Operators/Financiers of Seniors Housing, Hospitals, Health Care Service Providers

Infrastructure, Engineering & Construction

Infrastructure Investing: Transport, Energy, Social Infrastructure; Construction & Engineering

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CHICAGO HONG KONG LONDON NEW YORK SAN FRANCISCO SINGAPORE TOKYO TORONTO

2020

2021

2022

2023

2024

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