

Real Estate Compensation Pulse Survey

2018 Summary of Findings

FPL FPL ASSOCIATES



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Introduction & Overview:

FPL Associates is pleased to present findings from our **11th annual Real Estate Compensation Pulse Survey**. Initially developed in 2008 and further refined over the years, this is the only industry-specific survey of its kind that examines “real-time” anticipated compensation practices across all types of real estate companies.

We are pleased to report that this year’s survey includes information from **276 real estate companies**. Data was collected in November, and as such, the material contained herein provides participants with timely insights into year-end compensation decisions.

We hope this information is beneficial to your organization as you continue to navigate through potentially challenging compensation decisions with respect to 2018 bonuses and salary planning for 2019.

Topline Findings

Performance	<ul style="list-style-type: none">59% of participants define their overall company performance in 2018 as better than performance in 2017, whereas only 15% experienced a decline in performance
Base Salary	<ul style="list-style-type: none">The vast majority (82%) of participants indicated that they anticipate base salaries to increase in 2019Only 53% of participants expect base salaries to increase for executive managementAcross all firms, the average year-over-year (YOY) change is projected to be approximately +2.8% and the average increase is 3.6% (among firms making an increase)
Annual Incentive (Cash Bonus)	<ul style="list-style-type: none">42% of participants expect year-end bonuses to increase in 2018 (over 2017 amounts), whereas 46% expect bonuses to be flat YOYAcross all participants, the average YOY change in bonuses is expected to be +2.5% and the average increase is 9.1% (among firms making an increase)72% of participants expect bonuses to be at or near target (+/- 10%), while 21% of firms project bonuses to exceed 110% of target
Long-Term Incentive (LTI)	<ul style="list-style-type: none">71% of participants anticipate no change in LTI award amounts in 2018 (versus 2017 amounts)Nine percent (9%) of firms expect LTI amounts to decline, whereas 20% project YOY increasesAcross all firms, the average YOY change in LTI is projected to be +0.2% and the average increase is 9.1% (among firms making an increase)For those companies that utilize LTI targets, 85% of participants anticipate award values to be at target (60% of firms) or above target (25% of firms)Notably, 83% of participants expect to expand LTI eligibility in 2019
Workforce	<ul style="list-style-type: none">Fifty-three percent (53%) of participants plan to increase their total workforce in 2019, with most projecting an increase in the 1-10% rangeThe average YOY change in workforce for all participants was +4.2% and the average increase was 8.8%

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Contact

If you have any questions on this survey or if we can be of further assistance with your compensation consulting needs, please contact us at:

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About FPL

FPL is a global professional services firm that specializes in providing 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.

Comprised of two businesses that work together, FPL offers solutions and services across the entire business life cycle:

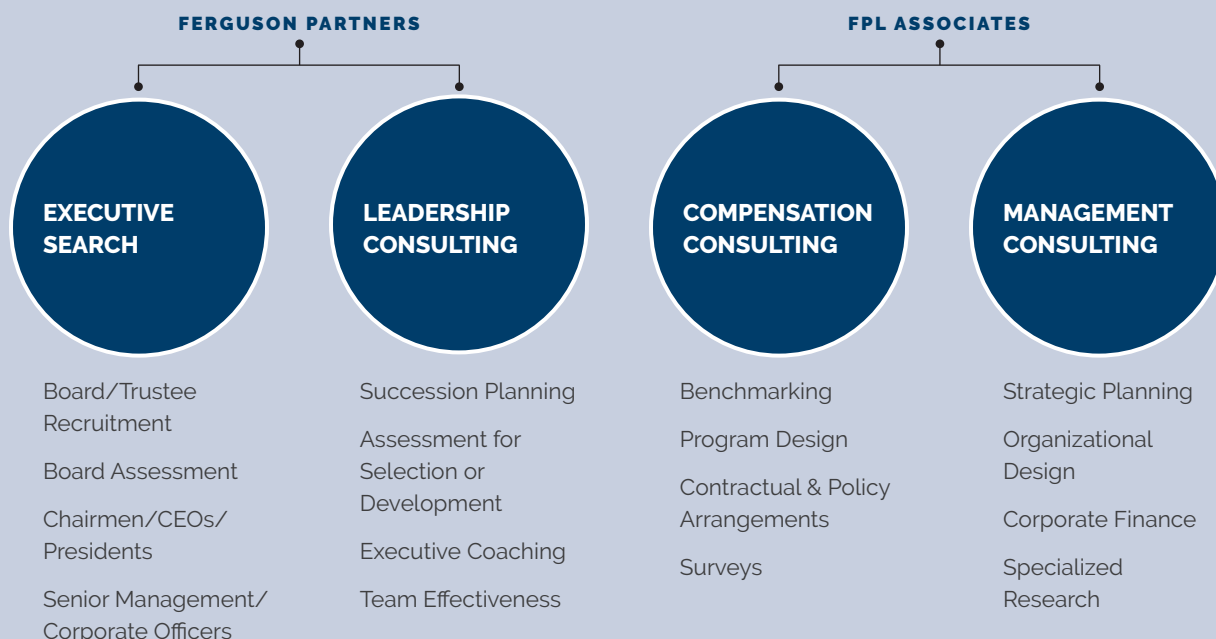
Ferguson Partners

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

Focusing on a wide array of business needs, FPL Associates assists with the assessment, design and implementation of compensation programs. We also provide organizational, financial & strategic consulting, bringing a wealth of industry and category-specific expertise to a broad range of projects.

OUR SERVICE OFFERINGS



OUR INDUSTRY PRACTICES

Real Estate 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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OUR OFFICE LOCATIONS

CHICAGO HONG KONG LONDON NEW YORK SAN FRANCISCO SINGAPORE TOKYO TORONTO