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Women and minorities make up 15% of executive leadership positions, respectively, in real estate investment management – new Diversity & Inclusion survey finds.

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February 3, 2021: Women and minority professionals represented 15% of executive management positions, respectively, in real estate investment management, the 2021 NAREIM Diversity & Inclusion Survey has revealed.

The survey, conducted in partnership with the executive recruitment firm Ferguson Partners and released February 3, showed the representation of women and minority professionals within executive management increased over the past four years.

The 2021 NAREIM Diversity & Inclusion Survey showed:

- Women represented 15% of executive management positions during 2020 – up from 12% in 2016.
- Minority professionals (male and female) represented 15% of executive management positions during 2020 – up from 10% in 2016.

While gender and ethnicity levels for the industry as a whole increased slightly during the past four years [see *Chart 1*], the NAREIM Diversity & Inclusion Survey revealed composition changes were beginning to emerge within different levels of seniority – with greater representation of women and diverse professionals, particularly at senior and executive management levels.

Gender and ethnicity, by seniority:

- Between 2017 and 2021, when NAREIM conducted surveys on diversity and inclusion within real estate investment management, women and minority executives increased their representation, particularly at executive management and senior levels
- Between the surveys – 2017 and 2021 – women increased their representation at executive management levels by 25%, increasing from 12% to 15%

- Between the surveys – 2017 and 2021 – minority professionals increased their representation at executive management levels by 50%, increasing from 10% to 15%
- Among senior level professionals, women now represent 30% of executives, up from 23% over the same period

It will take time for material demographic changes to show within the real estate investment management industry. Diversity, equity and inclusion (DEI) is a long-term vision, particularly when discussing the composition of the industry as a whole, as well as ownership and executive management.

“You are not going to flip on a light switch and overnight have a materially more diverse industry, but you are seeing the right steps take place to move in that direction,” said Erin Green, managing director at Ferguson Partners.

“Material, sustained, changes will take time to show through in the data,” said Zoe Hughes, CEO of NAREIM. “But what is clear, from the 2021 NAREIM Diversity & Inclusion Survey, is that there is a mandate and momentum for DEI to be a priority within the real estate investment management industry.”

According to the 2021 NAREIM Diversity & Inclusion Survey:

- 96% of survey respondents said they had a DEI program or initiatives to improve DEI within their organizations.
- 71% of participants said they dedicated staff to their DEI approach, either with dedicated employees or through committee structures with employees from across business lines, up from just 37% in 2017.

“As NAREIM members and the industry evolve their DEI approaches, the ability to track progress becomes more critical,” said Zoe Hughes. “The NAREIM Diversity & Inclusion Survey provides a baseline understanding of DEI progress to date, across the real estate investment management industry, from which organizations can measure their own organizational performance as well as share best practices with peers to advance DEI within the industry.”

Goals and outcomes

While many real estate investment managers are in the early stages of developing and enacting DEI programs, all survey respondents with DEI programs revealed that race and ethnicity were being addressed (100%) as part of their initiatives, followed by gender (97%).

The 2021 NAREIM Diversity & Inclusion Survey also highlighted the three most important outcomes real estate investment managers look to from DEI efforts.

1. A greater number of diverse employees (78% of respondents)
2. More diverse management team (72% of respondents)
3. More women in leadership positions (51% of respondents)

Read more key takeaways from the 2021 NAREIM-Ferguson Partners Diversity & Inclusion Survey, on the next page.

About the survey

The NAREIM Diversity & Inclusion Survey is the first corporate benchmark of diversity and inclusion practices within the real estate investment management industry, measuring gender and ethnicity across seniority and job functions, as well as diversity, equity and inclusion (DEI) management practices. The survey was conducted between September and November 2020, comprising 74 organizations representing more than \$2tn of assets under management (AUM).

Key takeaways

Gender breakdown by job function

Anecdotal evidence traditionally points to core functions, such as acquisitions or capital raising and IR, as being dominated by a specific gender.

For the first time, the 2021 NAREIM Diversity & Inclusion Survey measured the percentage breakdown of gender and ethnicity across job functions within real estate investment management firms. *[See Chart 3]*

- On gender, the survey revealed, men comprised a significant portion of transaction teams and women a significant portion of talent management teams
- Functions such as sustainability, finance and accounting, legal and compliance and capital raising and IR were more balanced

Investor perspectives on DEI

The 2021 NAREIM Diversity & Inclusion Survey also conducted interviews with institutional investors to gain their perspectives on DEI. The interviews included:

- Understanding the correlation between diversity and investment performance, with GCM Grosvenor's Head of Real Estate, Peter Braffman.
- Institutional investor perspectives with StepStone Group's Global Head of Responsible Investing, Suzanne Tavill.
 - Prior investor perspective interviews have been conducted with the California State Teachers' Retirement System (CalSTRS), Carnegie Corporation of New York, the Employees Retirement System of Texas, GCM Grosvenor, Oregon State Treasury and The World Bank Pension Fund.

Diversity and investment performance

The 2021 NAREIM Diversity & Inclusion Survey addressed the question of whether investment managers and institutional investors gained or sacrificed performance by investing in or having a diverse real estate team, during the interview with GCM Grosvenor Managing Director and Head of Real Estate, Peter Braffman.

Sharing his research correlating diverse real estate manager performance against the Burgiss real estate benchmark, Peter Braffman revealed there was no sacrifice of performance from an investment in diversity, and that diverse real estate managers achieved either IRR or MOIC outperformance in six out of the seven years between 2012 and 2018.

“As an industry, we need to demystify the notion that if you're investing in emerging or diverse managers, you're limiting your subset and therefore you're sacrificing performance,” Peter Braffman said. “This blanket statement is out there. But it's just not true.”

For Suzanne Tavill, Global Head of Responsible Investing at StepStone Group, an investment in diversity was an investment in an organization's long-term investment decision-making process. “We believe strongly that to make effective investment decisions in a sustained manner, you have to have a broad funnel when sourcing your team and curating a diverse team.”

- [To read the Peter Braffman and Suzanne Tavill interviews, click here.](#)
- For more information on the 2021 NAREIM Diversity & Inclusion Survey and NAREIM's DEI programming and resources, visit the NAREIM website: www.nareim.org

About NAREIM

NAREIM is the industry association dedicated to the business and organizational strategy of real estate investment management. Founded in 1990, NAREIM today represents real estate investment management firms with combined assets under management of \$2 trillion.

For 30 years, NAREIM has been the home of real estate investment management benchmarking and best practice education, where investment managers candidly share intelligence and learn — through peer-to-peer workshops — how to drive process and strategy, and how others in the industry are innovating their businesses, their departments — and individual roles and strategies.

NAREIM's benchmarking research comprises enterprise-wide organizational metrics (the Global Management Survey), real estate investment management's only industry-specific Compensation Survey, the first corporate Diversity & Inclusion Survey and — to come in 2021 — organizational metrics focused on Defined Contribution capital raising, structuring and best practice education.

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About Ferguson Partners

Specializing in Board, executive recruitment, and business advisory services, Ferguson Partners delivers premier strategic solutions to the real estate, real assets, infrastructure, hospitality, and healthcare services sectors.

Our global teams specializing in executive recruitment, management consulting, compensation consulting, and leadership development serve clients in our sector specialties. Our colleagues commit to understanding your business's unique needs and advancing its success.

Our boutique firm has nine offices worldwide, dedicated to offering personalized client services and integrated talent management solutions.

Charts from the 2021 NAREIM Diversity & Inclusion Survey

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Source: 2021 NAREIM Diversity & Inclusion Survey

Chart 1

Gender and ethnicity levels for the industry as a whole increased slightly during the past four years.

Please note, the 2021 survey relates to data from 2020. The 2017 survey relates to data from 2016.

Gender and ethnicity breakdown - industry breakdown

Breakdown of full-time employees by gender and ethnicity

		D&I Survey	
Industry-wide		2021	2017
	Men	60%	61%
	Women	40%	39%
Ethnicity			
	White	73%	74%
	Hispanic/Latino American	10%	5%
	Black/African American	6%	4%
	Asian/Pacific Islander	10%	12%
	Multiracial	1%	1%

2021 NAREIM-Ferguson Partners Diversity & Inclusion Survey,
based on 74 companies representing more than \$2tn AUM. Data relates to the year 2020

2017 NAREIM-Ferguson Partners Diversity & Inclusion Survey,
based on 46 companies representing almost \$1tn AUM. Data relates to the year 2016

Chart 2

Changes in gender and ethnicity composition are starting to emerge within different levels of seniority. Please note, the 2021 survey relates to data from 2020. The 2017 survey relates to data from 2016.

Gender and ethnicity breakdown by seniority

Average percentage value of full-time employees based on gender and ethnicity by seniority

		D&I Survey	
		2021	2017
Executive Management			
	Men	85%	88%
	Women	15%	12%
	Diverse men	12%	8%
	Diverse women	3%	2%
Senior-Level Professionals			
	Men	70%	77%
	Women	30%	23%
	Diverse men	7%	6%
	Diverse women	6%	8%
Mid-Level Professionals			
	Men	59%	60%
	Women	41%	40%
	Diverse men	14%	14%
	Diverse women	13%	10%
Junior-Level Professionals			
	Men	49%	42%
	Women	51%	58%
	Diverse men	15%	14%
	Diverse women	21%	23%

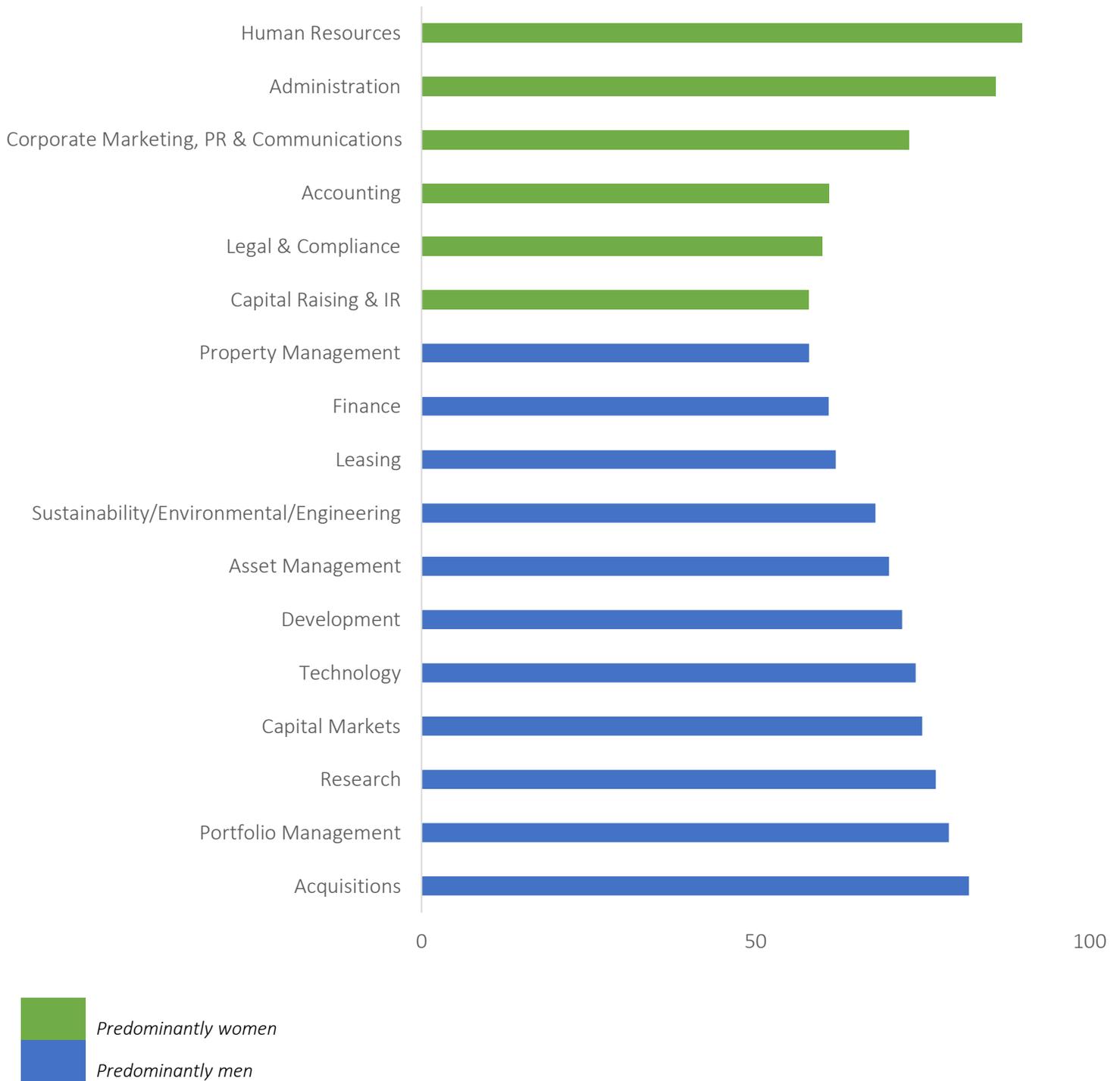
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Chart 3

For the first time, the 2021 NAREIM Diversity & Inclusion Survey measured the percentage breakdown of gender across job functions within real estate investment management firms.

Gender breakdown by job function

Average percentage value of total numbers of full-time employees based on gender by job function



2021 NAREIM-Ferguson Partners Diversity & Inclusion Survey, based on 74 companies representing more than \$2tn AUM. Data relates to the year 2020.