NAREIM

2021 *Year in* REVIEW

From the CEO: Looking back 2

Membership growth and demographics 5

Meetings 7

Research key takeaways 19

Member surveys 23

Dialogues magazine 26

NAREIM Jeff Barclay Fellows 28

Looking ahead 30

A look back on 2021

Zoe Hughes, CEO

2021 was a busy year for real estate investment management

It was a year of growth, a year of innovation and new ideas. It was also exhausting for many people.

At NAREIM, we felt the same highs, growth and pain points as we celebrated unprecedented member growth and doubled what we deliver for members.

In this Year in Review, we want to summarize what we did in 2021, providing a handy snapshot of the meetings, research and member best practice sharing produced throughout the calendar year.

What NAREIM did in 2021

- 4 corporate benchmarking surveys
- 6 member pulse surveys
- 13 in-person and virtual meetings
- 15 new member firms
- 29 newsletters
- 3 LP Perspectives on DEI
- 2 Dialogues magazines
- 1 year in review
- 1 resume book containing 395 resumes

Membership

NAREIM welcomed 15 new member firms in the 2021 calendar year, including:

- American Equity Life Insurance, Alidade Capital, BH Equities, Cabot Properties, Comstock Companies, DivcoWest, Enterprise Community Investment, Graceada Partners, The Green Cities Company, KKR, Manulife Investment Management, Menlo Equities, Pennybacker Capital, Transwestern Investment Management, Virtus Real Estate.
- RXR, Rockpoint Group and MultiGreen Properties also recently joined NAREIM in January 2022.

We are truly excited to have these firms join NAREIM's work, meetings and benchmarking.

No growth for growth's sake

NAREIM now has more than 100 member firms and, as we look to the future of our meetings, one strategy is clear — we will not grow for growth's sake.

NAREIM is deliberately a small association. Our meetings are about small group discussions to encourage honest and candid conversations among peers and to ensure

every voice in the room is heard. NAREIM will never lose the intimacy of its gatherings, because, if we grow too big, so too will the nature and tone of those conversations change. We are here as an association to help you connect and share ideas with peers — and the best way to deliver that is through small group connections. That will remain at the heart of NAREIM.

New Head of Programming: Sanyu Kyeyune

In July 2021, NAREIM hired Sanyu Kyeyune to join Zoe Hughes in driving the mission of the association.

Sanyu is a critical part of NAREIM's operations helping deliver high quality peer-to-peer conversations and networking, both virtually and in-person — and always testing what NAREIM delivers.

As one new member said in their member application in the latter part of 2021: "We've been able to experience firsthand the quality and depth of the resources provided by NAREIM." That is down to the passion of our members, and particularly to Sanyu. Check out the NAREIM 2022 calendar and the work Sanyu is doing to bring members together through the in-person meetings, as well as through additional 60-minute virtual connections.

More investment in meetings

You come to meetings to network. We love NAREIM's roundtable format, which helps every member network with peers, but in 2021 we also wanted to up our game in terms of our networking.

Starting with the Executive Officer and Architecture & Engineering meetings, NAREIM invested additional capital to bring the meetings not only back in-person, but also to provide a better networking experience for members with restaurant buy-outs, and, for EO, a trip to the world-renowned Louis Mueller BBQ restaurant on the outskirts of Austin.

Additional investment will continue in 2022 and beyond thanks to expense reductions achieved over the past two years and recent membership growth.

Who doesn't want an LP–GP MasterChef cook-off?

Even virtual meetings got a test of the networking investment, with an LP Celebrity MasterChef cook-off, where former MasterChef contestant Mike Silverstein guided two investors and one manager through a cooking competition, judged by NAREIM members.

Judy McMahan of UPS Pension Investments, Michael Leifeste of Texas Treasury Safekeeping Trust Company and Kathy Briscoe of Dermody Properties battled it out to produce the best — and fastest — chicken satay. In 15 minutes, with smoke alarms ringing, wine being consumed and no cheating whatsoever, the winner was revealed: Michael Leifeste of Texas Treasury.

MasterChef Silverstein offered words of advice for all members to "get out of their comfort zone," adding: "Take some risks. You'll have some fun in doing that."

The NAREIM brand gets stronger

Collaboration was the name of the game in 2021, with NAREIM not only doubling the number of benchmarking surveys it produces each year, but bringing other industry associations together to help promote standard approaches to data collection.

- **Global Management Survey:** For more than a decade NAREIM has partnered with Ferguson Partners to publish the Global Management Survey, an annual survey covering enterprise benchmarking and management practices for real estate investment managers. In 2021, we joined forces with INREV to provide deeper analysis of European operations and together NAREIM, INREV and Ferguson deliver data on organizational structures, staffing levels, roles and responsibilities, fundraising trends, fund structures and terms, and enterprise financial performance metrics for the industry.

- **Global Real Estate DEI Survey:** NAREIM has tracked DEI at the corporate level since 2017, but in 2021 we partnered with ANREV, INREV, NCREIF, PREA, REALPAC and ULI to expand the survey and create the Global Real Estate DEI Survey. The DEI Survey is the industry's first global collection of corporate best practices and employee demographics for commercial real estate, tracking gender, race/ethnicity and nationality across seniority and job functions in Asia-Pacific, Europe and North America as well as corporate practices in relation to DEI programs, recruitment, retention, training and development, inclusivity and pay equity. Conducted by Ferguson Partners, the DEI Survey helps create a true global benchmark for investment managers and the wider industry on DEI practices and demographics.

- **Defined Contribution Survey:** In collaboration with the Defined Contribution Real Estate Council (DCREC) and Ferguson Partners, NAREIM provides an in-depth view of defined contribution (DC) capital raising and organizational metrics from the real estate manager perspective relating to scale and growth of DC offerings and the management of DC real estate vehicles. The survey expands on DC questions in the Global Management Survey and to also include five-year AUM growth, DC real estate capital flow trends and DC investor appetite for private real estate strategies and offerings.

A few social stats

NAREIM's reputation continues to grow and members and staff are helping push the word out with social media posts and communication to the industry. Here are a few stats from 2021.

- 23 LinkedIn posts, shared and liked 41,000 times.
- 6% LinkedIn engagement rate over the past year vs an average 3% for CRE associations (from a peer group of 12).
- 14,480 website sessions involving 8,943 unique visitors in 2021. 81% were new visitors.
- NAREIM's distribution lists increased from 3,051 to 4,533 contacts.

We're really proud of our achievements in 2021 and we are excited about what we can deliver in 2022 with and for members. Remember that NAREIM is here to serve you and help you grow your business. Here's to another tremendous year.

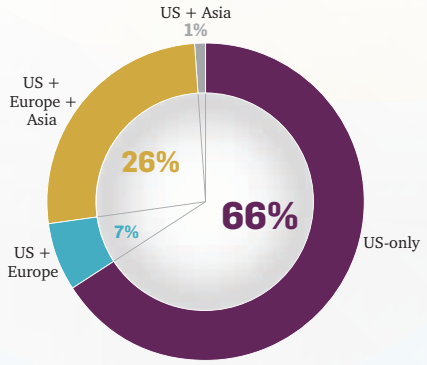
Membership growth and demographics

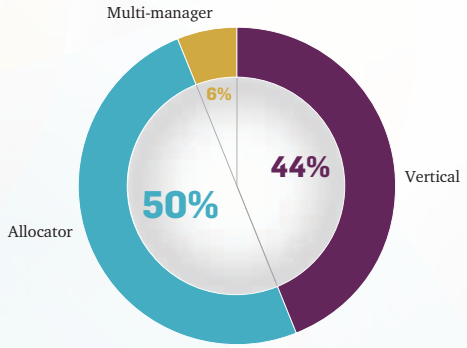
As of January 22, 2022

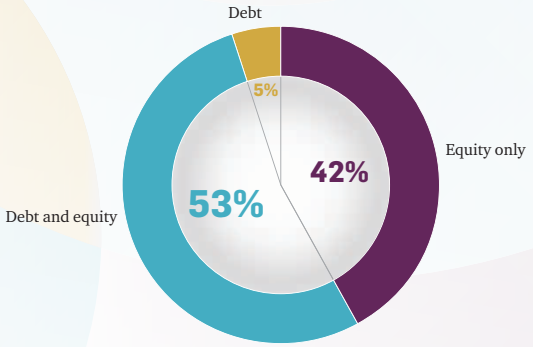
>$2tn
IN COLLECTIVE GROSS AUM

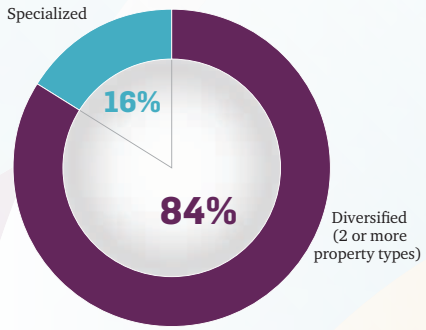
$6bn
MEDIAN AUM

101
MEMBER FIRMS









Of specialized managers, **TOP 3 sectors** are:

	1	2	3
By AUM	Industrial	Residential	Office
By #	Residential	Office	Industrial

15 NEW MEMBER FIRMS in calendar year 2021, *including:*

American Equity Life Insurance, Alidade Capital, BH Equities, Cabot Properties, Comstock Companies, DivcoWest, Enterprise Community Investment, Graceada Partners, The Green Cities Company, KKR, Manulife Investment Management, Menlo Equities, Pennybacker Capital, Transwestern Investment Management, Virtus Real Estate

Meeting takeaways in 2021

Architecture & Engineering	7
Asset & Portfolio Management	8
Capital Raising & IR	9
Data Strategy	10
DEI Summit	11
Executive Officer	12
Legal, Compliance & Risk	13
Sustainability	14
Sustainability SFDR	15
Talent Management	16/17

Architecture & Engineering

Meeting: September 28–30 | Austin, Texas

- **Avoid using fully tempered glass wherever possible,** to minimize the 'ticking time bomb' of nickel-sulfide inclusions — a chemical imbalance that can cause sheets of glass to break.
  - Instead, **use safety glass.** Where code requires reinforced glass, look to alternatives such as laminated glass or heat-soak tested FT glass.
  - Have a **response plan to deal with breakages if they occur,** including keeping glass fragments for analysis, documenting breakages exceptionally well, and ensuring staff in the building know what they need to do in case of spontaneous breakages.
- 95% of **billing errors made by GCs are intentional.**
  - Members were told how to spot padding by GCs and advised: "Anything you don't get an invoice for is the most common area for over-charging."
  - Examples included, labor rates and insurance. One example was cited where a large international construction company billed $41 per hour for a union, carpenter journeyman for a project, but paid just $12.25 per hour for a non-union laborer.
  - Members also heard that for general liability and excess liability insurance, the typical rate paid by GCs was, on average, 0.3%. However, managers were often billed between 1% and 1.5%.
  - The same was true for catastrophic insurance, with the premiums, deductible and co-pays often making it unfeasible for GCs to buy coverage.
  - Advice: Ask for proof of insurance and the invoice from the GC.
- When dealing with GCs and critical path scheduling — the timeline that tracks the GC and subs' progress on a project — **make sure you have the native files** (and not summary views) of development contracts to ensure information is not being hidden from you.
- Timber-framed offices may have a 3%–5% higher hard cost than traditional construction, but the **speed to market is significantly better** — sometimes two-thirds faster than steel and concrete.
- Only **2% of architects in the US are African American** and 0.04% are African American women.
  - **Put DEI language in RFPs and final contracts** and ensure minority architects receive design credits for their work on projects.

Architecture & Engineering Committee

Chair: Matthew Christy, *AEW Capital Management*
Co-chair: Belinda Bail, *BentallGreenOak*
Co-chair: Gary Cohn, *Partner Engineering & Science*
Anne Peck, *TA Realty*
Michael Kairis, *American Realty Advisors*
Jerry Speltz, *Barings Real Estate*
Bob Klinger, *Brennan Investment Group*
Jim Kennedy, *JPMorgan Asset Management*
Chris Wilson, *LaSalle Investment Management*
Brian Bennett, *Northwestern Mutual*
Jeff Fraulino, *UBS Realty Investors*

To read the full meeting takeaways, *click here*

Asset & Portfolio Management

June 2 | Online

- **Avoid big box and mini-anchor retail spaces** of around 20,000sf. Instead, focus on why a space is needed in the surrounding neighborhood and the human experiences it can deliver.

- Leasing volume is up dramatically. In office, volume is up, but so is **significant concessions,** such as free rent and TIs. In retail, volume in 2021 was greater than any in the past 10 years and valuations were not declining. However, not all retail is equal.

- Flexibility is key for landlords. Owners will be expected to **provide private label or branded flexible work solutions,** such as a co-working space, to help future business growth and periods of contraction.

- **Net zero and a low carbon economy are coming.** Think about solar panels, the building envelope and insulation, lean on your tenants, invest in your energy audits, RECs and offsets, particularly for high-rise and CBD assets.

  - **Track and monitor your greenhouse gas emissions** (GHG). But the greatest return comes from walking and talking to tenants.
  - Solar panels are not a solution for high rises, but low-rise assets could benefit from the additional income stream and environmental credits. **Educate leasing teams to sell solar.**
  - Taking your windows from an R2 to R7.8 saves an immense amount of energy, but it can mean refurbishing existing windows, not replacement. **Focus on emissions in the building envelope.**
  - A key part of net zero is about active, high-touch, asset management. As you move from Scope 1 and 2 emissions (GHG controlled by the landlord), to Scope 3 (relates to tenant-controlled GHG), **be proactive early with tenants about their use** and how they can save on energy costs. Provide a better ESG experience for employees.
  - Use a **calibrated energy model/audit** because it's something you'll rely on every day and will help build future business cases for other work and projects reducing GHG and achieving net zero. One resource is the ULI energy audit tool, tenantenergy.uli.org.
  - Implementing net-zero measures can **offset the transition risk of a carbon tax** in the US. NYC, DC and other cities are introducing net-zero regulations, so there is a high chance of carbon taxes becoming legislation across the country.
  - Carbon credits and offsets will always be needed, particularly for high-rise buildings in CBD areas. **Costs have jumped** and are expected to increase further into 2022.

Asset & Portfolio Management Committee

Chair: Shilp Shah, *Nuveen Real Estate*
Co-chair: Rob Naso, *BentallGreenOak*
Co-chair: Chris Barbier, *Yardi*
John Kennedy, *Barings Real Estate*
Dara Friedman, *BentallGreenOak*
Allison McFaul, *LaSalle Investment Management*
Derrick McGavic, *Newport Capital Partners*
Bob Geiger & Greg Souder, *Partner Engineering & Science*
Frank Garcia, *PGIM Real Estate*
Daryl Pitts, *Saxony/Pereview Software*
Drew Stepanek, *Stockbridge Capital*
Brent McFerren, *RealFoundations*
Chris Barbier, *Yardi Systems*

To read the full meeting takeaways, *click here & here*

Capital Raising & IR

November 30 & December 1 | Online

- **First-time funds are having a hard time securing capital** from institutional investors, who are increasingly preferring re-ups over first-time allocations.
  - In 2021, first-time funds represented almost 150 of the more than 300 value-add and opportunistic funds in market, but **raised a minimal amount** of capital — and one of the lowest levels recorded since 2003.
- Spring 2022 **in-person annual meetings are being put on hold** while managers contemplated the impact of the Omicron variant.
  - One member said **investors will demand hybrid** meetings going forward. The challenge is thus to cater to the experiences of those attending in-person against those virtually.
  - Another member is **alternating** between in-person and virtual meetings to balance the needs of different investors.
- Institutional investors are increasingly **looking to joint venture partnerships** with operating partners instead of backing first-time fund launches, on the account of gaining access to existing teams and going as direct as possible.
- Investors have a lot of capital/liquidity in the market currently, and that is only set to increase with target allocations to private real estate expected to rise even more over the next few years. **Value-add and opportunistic strategies are expected to benefit.**
- The **best time to market** is when you're not on the market. Connect with investors and make it personal. Pre-marketing is taking place 12 months before an official fund launch.

The meeting started with an LP Celebrity MasterChef cook-off to facilitate networking among managers and investor guests.

Former MasterChef contestant Mike Silverstein guided Judy McMahan of UPS Pension Investments, Michael Leifeste of Texas Treasury Safekeeping Trust Company and Kathy Briscoe of Dermody Properties through the contest to see who could produce the best — and fastest — chicken satay. In 15 mins, with smoke alarms ringing, wine being consumed and no cheating whatsoever, the winner was revealed: Michael Leifeste of Texas Treasury.

MasterChef Silverstein offered words of advice, saying: "That's what makes cooking so much fun — getting out of your comfort zone, trying new recipes, pushing yourself." He added: "Take some risks. You'll have some fun in doing that."

Capital Raising & IR Committee

Todd Fowler, *American Realty Advisors*
Ben Lathrop, *Bailard, Inc.*
Marty Alston, *Brennan Investments*
Megan McCarver, *CapRidge Partners*
Kathy Briscoe & Tyler Scheppmann, *Dermody Properties*
Melissa Brown, *Harrison Street Real Estate*
Jessica Hobbs, *Mesa West Capital*
Steve Moen, *PGIM Real Estate*
Scott Arden/Scott Barsky, *Sentinel Real Estate*
Jennifer Yuen, *Torchlight Investors*
Michelle Wells, *Waterton Associates*
June Munshi, *The CenterCap Group*
Chris Barbier & Scott Tavolacci, *Yardi*

To read the full meeting takeaways, *click here & here*

Data Strategy

May 18 | Online

- Investors and consultants are increasingly **focusing on asset-level data.** This is to help them understand their exposures, better predict their own capital calls and distributions, and improve their risk management and reporting to internal risk teams.
- There must be **full trust and transparency in the models and data** underpinning the models for users to adopt the tools and so it doesn't become a black box.
- Data sandboxes — protected, shared environments where models can be built and experiments conducted without harm to wider enterprise databases — not only **prove the case for a tool or data set,** but also get the sign-off and resources to develop the resulting dashboard.
- The best tool to understand and evaluate tenant health is **regular engagement by asset managers,** as creditworthiness scores can often be outdated. There is value of marrying that high-touch process with data, including mobility data from phones, credit card data and payroll data such as from ADP, particularly for multifamily.
- Don't forget the **people as part of any data strategy** or project. You cannot get where you need to be without addressing change management, and how your people will be impacted and react to new ways of working.
- **Create data stewards in your analyst pool** to maintain clean data and correct errors when they occur. They are the people on the ground analyzing when something new is needed, what to update and what needs checking.
- Managers are using PowerBI to **create dashboard functionality** to all team members. PowerBI sits on top of off-the-shelf products that feed into the data warehouse. Asset management teams were able to immediately see lease rolls, daily rents and NAICS code compositions.
    - The next focus is on **how to utilize and standardize tenant interviews** conducted at acquisition — and containing a plethora of valuable asset and property management information — into current systems, as well as vendor management.
- **Create testable rules** for your data to compare your expectations against actual performance and delivery. Test for timeliness, completeness, accuracy and consistency.

Data Strategy Committee

Chair: Christopher Gilene, *Invesco Real Estate*
Co-chair: Courtney Lee, *UBS Realty*
Co-chair: Jim Valente, *RealFoundations*
Kristin Barron, *Barings Real Estate*
Chris Nichols, *Berkshire Residential Investments*
Elizabeth Peacock, *Deloitte Consulting*
Richard Rowell, *Lionstone Investments*
Scott Cross, *Nuveen Real Estate*
Daniel Baskind, *Saxony Partners*
Mike Goodwin, *Stockbridge Capital Group*
Joe Ehrenfeld, *USAA Real Estate Company*
Chris Barbier & Eileen Clifford, *Yardi Systems*

To read the full meeting takeaways, *click here*

DEI Summit

November 10 | Online

- **Diverse candidates feel over-targeted** amid the industry's effort to recruit mid- to senior and executive-level women and people of color.
  - They **fear they are only hired to check the box,** rather than for their skills.
  - HR and recruitment advise managers to **explain motivations** for the hire, otherwise the effect will be negative.
  - With the demand for diverse talent 'incredible,' managers were also told there was no other strategy than to '**dig and network**' to find who and where talented professionals were.

The DEI Summit showcased four diversity-group partner models including REEC, ICSC, Project Destined and Fannie Mae's Future Housing Leaders. During presentations and whole room Q&A, managers heard how the different models — including paid and free models — operated and how each partner worked with students, junior talent and managers.

- **To retain interns** from underrepresented groups and ensure they can be as successful as possible, managers were advised:
  - Keep in mind that for interns, **the experience is also about exposure** to and opportunities within the industry, not just hire backs.
  - **Social and mental well-being is as important** as professional development. Interns who are lonely won't thrive.
  - Provide opportunities to **get alums together with new interns** and students. This is part of training and development.
  - **Celebrate, don't just berate.** If real estate numbers don't look good, celebrate intention, making commitments, making strides and starting to collaborate and show collectively what is going on.
  - **Scale matters** when it comes to diversity. You are investing in potential.
  - Community colleges are a **great resource** for diversity. Be aware that existing assessments may create bias for candidates without a traditional CRE background.
  - There is **no singular approach** to increasing diversity in CRE. It's a commitment to partnership.

Inclusion & Diversity Committee
Chair: Kristin Renaudin, *Stockbridge Capital*
Vice Chair: Reisa Bryan, *Nuveen Real Estate*
Anne Peck, *AEW Capital Management*
Alexandra Williams, *Barings Real Estate*
Chasity Boyce, *Barings Real Estate*
Kelsey Harstad, *Belay Investment Group*
Justinn Wheatley-West, *BentallGreenOak*
Jennifer Licciardi, *Berkshire Residential*
Erick Harris, *Blue Vista Capital*
Stuart Bernstein, *CapRidge Partners*
June Mnushi, *The CenterCap Group*
Dave Kutayiah, *Clarion Partners*
Kathy Briscoe, *Dermody Property*
Tyler Scheppmann, *Dermody Property*
Rachna Velamati, *Heitman*
Deena Goodman, *PGIM Real Estate*
Pat Bailey, *Principal Real Estate Investors*
Jillen Miller, *Waterton Associates*

Sub-committees are:
Diversity & Inclusion Survey, Partnerships, Resources & Best Practices.

To read the full meeting takeaways, *click here & here*

Executive Officer

October 6–8 | Austin, Texas

- Members **discussed carried interest allocations and the best form of compensation** to incentivize junior and mid-level talent to stay with a firm.
  - Questions raised included: Are junior professionals incentivized by carried interest **given a typical 10-year wait**? Many questioned if talent could be retained at junior and mid-levels with a typical private equity-style compensation package.
  - In 2022, compensation is expected to be **at least 200-300bps higher** than predicted in the NAREIM-Ferguson Compensation Survey.
- Post-Covid, the industrial, self-storage and manufactured homes sectors had seen the **greatest change in private market values,** with lodging, office and malls experiencing the worst declines.
  - On an unlevered return basis, industrial, self-storage, net lease and life science assets **delivered between 22% and 49% returns** from February 2020 to October 2021. Office was expected to continue to be hit significantly from work-from-home dynamics.
  - Raleigh, Denver, Charlotte, Austin, Phoenix and Atlanta **benefited the most** as work from home accelerated.
- Deal sourcing, not asset management, was the **challenge for single-family rentals.**
  - There was a crush of capital moving into the sector, but the **exit was less clear,** and questions remained on how much more room there was for SFR REITs.
  - The **key in execution** was now about JV partnerships and finding the right firms and operators to work with. Given the weight of capital targeting SFR, who would you be left with — would it be a cowboy? If 20% of new build homes are being delivered as build to rent, what's going to happen to affordability and how do you manage the messaging as an organization?
- Members continued many of the conversations during the day into the **networking dinners** held at Lutie's garden restaurant, on the grounds of the Commodore Perry, as well as during a special tour of the Louis Mueller BBQ restaurant in Taylor, Texas.

Executive Officer Committee

Chair, NAREIM Board of Directors:
Ryan Krauch, *USAA*

Co-chair: Travis Pritchett, *Harbert Management Corporation*

Co-chair: Kristin Renaudin, *Stockbridge Capital Group*

Christopher Nichols, *Berkshire Residential Investments*

Jonathan Epstein, *BentallGreenOak*

Stuart Bernstein, *CapRidge Partners*

David Donato, *Continental Realty Group*

Kathleen Briscoe, *Dermody Properties*

Elizabeth Peacock, *Deloitte*

Matt Reidy, *Fremont Realty Capital*

Brandon Sedloff, *Juniper Square*

Josh Myerberg, *Morgan Stanley Real Estate Investing*

Ross Berry, *New York Life Real Estate Investors*

Reisa Bryan, *Nuveen Real Estate*

Daryl Pitts, *Pereview Software/Saxony*

Todd Everett, *Principal Real Estate Investors*

Frank Garcia, *PGIM Real Estate*

June Munshi, *The CenterCap Group*

Greg Michaud, *Voya Investment Management*

Rick Hurd, *Waterton Associates*

To read the full meeting takeaways, *click here*

Legal, Compliance & Risk

December 8 | Online

- Insurance rates are expected to increase up to 10% in 2022. To mitigate double-digit increases, **exhaust all carrier options.**
  - In 2020, **rates increased** 25% while rates increased 17% in 2021.
  - **Create a three-pronged approach** of master insurance programs, mini-master insurance programs and stand-alone options.
- New capacity has been added, but it's **limited in nature** and focused on property types such as industrial instead of CAT-heavy asset classes like multifamily and hospitality.
  - **Underwriting is stricter,** and exceptions will rarely be granted.
- The **average and median rate of change** at the property level was between 22.6% and 25% in each quarter of 2020. That rate change slowed in 2021, with median rate change coming in at 11.7% in the 12 months to July 2021, compared to an average rate change for the same period of 17.3%.
- **Asset-level data is crucial** in preventing carriers from defaulting to the highest level of risk, with engineering and risk improvement plans for CAT-heavy accounts imperative. Prepare for more intense scrutiny by underwriters and carrier credit officers.
- Portfolios are still being **forced to introduce more carriers** to build the same limits as their expiring programs, and many insureds continue to carefully consider how much limit is being purchased. But there is a gradual shift in pricing, with the median rate change in the low teens, compared to the 20% to 40% range experienced over much of 2021.
- General liability risk is higher with **concerns over profitability owing to loss deterioration,** medical cost inflation, Covid-19 unknowns, insurer consolidation and nuclear verdicts or lawsuits against corporations.
  - Insurers are **eager to settle and avoid trial** owing to raise legal costs — something known by plaintiffs. As a result, settlement costs are increasing.
- Rather than having insurance brokers walk through the new reality of insurance risk to portfolio and asset managers and acquisitions teams, **have the CEO/senior executives of your carrier talk to the team** and walk through the risks and models.

Legal, Compliance & Risk Committee

Tyler Scheppmann, *Dermody Properties*

Jonathan Romick, *GEM Realty Capital*

Shamina Sheed, *Heitman*

Michele Halickman, *Lument Capital/ Orix Corporation*

To read the full meeting takeaways, *click here & here*

Sustainability

May 4 | Online

- One-third of REIMs revealed that all or more than **75% of their portfolios were covered by climate risk data and analysis.** 50% said less than a quarter to none of the portfolio was covered.
- Climate risk data and modelling is very much in its infancy and **not ready to integrate into underwriting.**
  - **Data is simply too new to be able to back-test** it properly against existing asset data. But it is helping inform higher probabilities of risk in the acquisition process as well as exit cap rate discussions.
- Members predominantly use **climate risk data providers** 427, The Climate Service, Rhodium, MSCI and ImageCat. 86% sign one-year contracts.
- Sustainability leads is the **key functional group assessing climate risk,** followed by Portfolio Management and Asset Management. In joint fourth place is Transactions and Architecture & Engineering.
  - Sustainability leads are either **dedicated personnel or the chair** of an ESG/Sustainability committee.
  - One in four sustainability leads **reports directly to the CEO.**
  - When **benchmarking ESG teams, processes and operations,** 40% of managers report directly to the CEO, while another 40% said there is just one reporting layer between the CEO and the head of ESG and sustainability policies.
- Three key issues when **analyzing climate risk modelling and data:**
  1. It's not just about the asset. What is the **community and supply chain risk** at the asset-level? Where are the points of vulnerability if the community's ability to operate is lost, such as with power grids and flooding?
  2. **Relative climate risk.** How do you compare to your peers? New climate risk models are emerging for a majority of the ODCE core funds in the US.
  3. A computer alone cannot provide all the answers on climate risk. There remains a large **degree of interpretation and analysis** by real estate teams.
- Particularly for multifamily assets, Energy Star is a **good certification to have** owing to its market penetration and low cost. Also recommended are IREM and NGBS.
- **ESG-linked loan provisions** — linking loans to specific sustainability metrics at the corporate/portfolio level — are emerging, particularly among REITs. Their economic impact is limited, but it is a way to improve and drive ESG strategies and actions.

Sustainability Committee

Chair: Mona Benisi, *Morgan Stanley*

Co-chair: Jill Brosig, *Harrison Street*

Co-chair: Uma Pattarkine, *CenterSquare Investment Management*

Anne Peck, *TA Realty*

Thomas Rucker & Hannah Tillmann, *Berkshire Residential*

Rachel Woolf, *Blue Vista Capital Partners*

Elena Alschuler, *LaSalle Investment Management*

Mark Vollmer, *New York Life Real Estate Investors*

Jessica Long & Nichole Wiley, *Nuveen Real Estate*

Bob Geiger & Tony Liou, *Partner Engineering and Science*

John Seaton, *RealFoundations*

Arielle Birenberg, *Stockbridge Capital Group*

June Munshi, *The CenterCap Group*

Alexander Hlavacek, *Inland Real Estate Group*

Thomas Enger, *UBS Realty*

To read the full meeting takeaways, *click here & here*

Sustainability SFDR

December 21 | Online

- **Start documenting the processes** around ESG to be able to answer European investors' questions on Sustainable Finance Disclosure Regulation (SFDR), particularly how ESG is being incorporated into risk management, renumeration and due diligence.

- **Article 6** funds/vehicles **should not have net-zero strategies** or commitments.

- Be prepared to **explain your position to investors,** such as why you're an Article 6 vehicle. For example, you could explain your plan and approach to investors, together with the vision the firm has to upgrade the vehicle to Article 8, but noting a lack of regulatory clarity from the European Commission was hindering the strategy.

- Reporting to GRESB **does not automatically trigger fines** for vehicles registered as Article 6 under Europe's new Sustainable Finance Disclosure Regulation (SFDR) — but setting targets and objectives as part of the GRESB benchmark may open up a "can of worms."

  - **Seek legal counsel.**
  - **Watch for T1.1** in the GRESB benchmark, which asks for concrete targets for the reporting entity.
  - Currently, a majority of real estate investment managers are classifying their funds/vehicles as Article 6 products, where **fund-level ESG efforts focused on risk.**

- SFDR at the product level requires the publication of disclosures about sustainable investments and the monitoring of performance on websites. Because a website is typically seen as an encrypted investor portal, thereby retaining performance disclosures to accredited investors only, this **does not conflict with SEC rules** banning the marketing of funds to non-accredited investors.

- European investors are raising questions about SFDR and there is an **expectation that investors will look at or favor Article 8 or 9 funds** [in the future]. Funds that want to raise capital from European investors or invest in the EU take note.

To read the full meeting takeaways, *click here & here*

Talent Management

June 24 & July 22 | Online

Conversation centered on return to office strategies, and how peers were balancing work-from-home schedules with mandated returns. During two online sessions, Talent Management members heard that almost half of firms were adopting a 3 days in-office/2 days at home (3–2) ratio for post-Labor Day returns. Eight out of 10 agreed that in-office attendance would be mandatory.

Uncertainty was high at the time of the meeting however, with the rise of the Delta Covid variant coupled with a tight labor market. On 2022 strategies, there was less clarity. "Companies are reserving their opinions as to whether 3–2 will stick," said one member.

- **Opinion was split as to organizing remote/WFH schedules** according to functional group or seniority.

- Most firms were **seeing high vaccination rates,** particularly in larger cities, but **split when it came to asking for evidence** or an attestation of vaccine status. Where status was tracked, only a handful of HR employees were allowed to access the data.

Wage inflation and retention

- Members highlighted the **need to offer flex schedules to remain competitive,** not only to attract new talent which are also being offered "significant" packages by larger financial companies, including outside CRE, but also to retain talent.

- One member said **analyst salaries were now $100k;** while some employees had been **offered 2–3x their salaries to leave**.

Additional benefits

- Other **measures being considered or introduced to retain employees** and ease the return to office work, included:

  - No meeting Fridays
  - Half-day Fridays through the summer and holiday periods, such as Thanksgiving to New Year
  - Christmas work from home
  - Extra PTO and vacation
  - Lunches and events
  - Beach home rentals

Talent Management

October 4 | Online

- Half of REIMs are **mandating in-office attendance** for the vast majority of their employees already.
- Half of managers **require employees to be vaccinated** against Covid-19. Of the half that don't require vaccines, 14% are asking for proof of vaccination to enter the office or routine testing.
- 76% of NAREIM members **expect total headcount to increase** during 2022. Last year, 42% of firms experienced flat or declining employee numbers.
- Members are **contemplating non-cash retention incentives,** including the expansion of carry to junior-level participants and co-investment opportunities.
- **Well-being and inclusion** should remain at the forefront of talent management decisions and inclusivity should be ingrained in culture. "Total rewards and well-being are synonymous [today]," said one participant.
- A third of managers **expect 3–2** (three days in the office, two days at home) to be the long-term strategy. A quarter said the long-term policy is a full return to the office.
- When onboarding new employees while working remotely, the lack of opportunity to collaborate, work and talk in-person impacted the retention of associates. Some managers required new associate and analyst hires to do **one month of training** in one of their key offices before being allowed flexibility.
- **40% of all voluntary resignations** in 2020 **left the commercial real estate industry,** raising questions about looking beyond CRE skills for new hires in the future. Data showed that of all the new hires made at junior levels in 2020 just 35% came from outside CRE. By the time you get to the executive management level, that figure reduced to 11%.
- How will remote work impact regional differences in compensation? Discussion centered on **policies for handling compensation compression between entry-level, junior and mid-level professionals** as well as understanding how peers were handling compensation packages where employees moved permanently out of the state they were originally employed in. Where employees moved to lower-cost states, should there be an impact to base or bonus?

Talent Management Committee

Chair: Lisa Kizina, *National Real Estate Advisors*
Co-chair: Charlotte Flores, *BH Management*
Co-chair: Brandy Fulton, *Carmel Partners*
Judy Capon, *Barings Real Estate*
Justinn West-Wheatley, *BentallGreenOak*
Sherrida Traynham, *Clarion Partners*
Angelique Kelly-Lara, *Enterprise Community Investments*
Stacy Nyenbrink, *Harrison Street Real Estate*
Richard Yun, *ORIX Corporation*
Deena Goodman, *PGIM Real Estate*
Amy Kirkpatrick, *StoneRiver Company*

To read the full meeting takeaways, *click here*

Benchmarking research highlights from 2021

Global Management Survey	19
Compensation Survey	20
Defined Contribution Survey	21
Global Real Estate DEI Survey	22
Member Surveys	23

Global Management Survey

Released September

In 2021, INREV, the European Association for Investors in Non-Listed Real Estate Vehicles, joined NAREIM and Ferguson Partners to make the Global Management Survey the most comprehensive global study of management practices in the commercial real estate industry.

- **Capital raising success was mixed** in 2020.
  - Among participants who completed the GMS each of the last two years, 56% reported less capital raised in 2020 than in 2019, while 44% reported an increase.
  - In general, firms that were able to successfully raise more capital in 2020 tended to be those operating in sectors that were bolstered, or at least not directly harmed, by the economic repercussions of the pandemic (e.g., logistics, multifamily, debt, etc.).

- The **median firm in our sample experienced a 6% increase in net AUM** in 2020
  - While still positive, this represented the first year of slowing AUM growth since 2016.
  - The number of firms that experienced a decrease in net AUM grew from 21% in 2018 and 2019, to 29% in 2020.

- **42% of survey participants decreased or held their employee headcount steady** in 2020, versus 26% in 2019.
  - Notably, the share of participants who decreased their headcount grew from 17% in to 27% in 2020.
  - One third of respondents indicated they were making layoffs over the course of the year, a notable uptick from the 25% who reported the same in 2019.

- **77% indicated that they expected to increase total headcount** in 2021.
  - 41% expected a headcount increase of more than 5%.

- Same-store GMS participants reported a **24% decrease in aggregate acquisition volume** and a 42% decrease in aggregate disposition volume in 2020.
  - Nearly 80% of survey participants expected their 2021 acquisition volume to exceed their 2020 volume.

- 2020 **financial performance reflected a bifurcated industry.**
  - 38% of participants experienced a >10% increase in EBITDA.
  - 32% had a >10% decrease.

- Managers were **increasingly organizing around ESG initiatives.**
  - Over 50% participants reported leveraging an ESG-focused committee for identifying key initiatives.

Responses for the 2021 survey were collected from 71 participants in the first and second quarters of 2021. Data was collected on strategic, financial and organizational practices for real estate investment managers and private equity firms. Of those participating in the survey, 64% were independent real estate investment management firms, while 13% were affiliates of insurance companies and 19% were affiliates of non-insurance companies.

Compensation Survey

Released October

For more than a decade, NAREIM and Ferguson Partners have produced the Compensation Survey, the most comprehensive study of compensation practices in real estate investment management. The report covers more than 150 individual position compensation reports, and trends on base, bonus, promote/carried interest, co-investment and long-term incentives and benefits. The Survey findings are restricted to participants and designated executives only. However, below are some key takeaways from the 2021 report. For more information on participating in the survey and accessing the full reports, contact Zoe Hughes, NAREIM CEO.

- **Net assets increased by 6%** at the median firm in 2020, the first deceleration since 2016. This reflects slowing asset appreciation and mixed capital raising success.

- In 2020, **56% of firms anticipated making salary increases** in 2021.
  - However, the total change and average increase was tempered relative to previous years, marking the lowest total change and average increase since 2014 and 2013, respectively.
  - A large number of firms are expecting increases in salaries, and at a meaningful level, likely reflecting a very tight labor market and pressure on compensation levels, even base salaries.

- **Mid- and junior-level salary increases are expected to continue** in 2022, with ~80% of firms expecting to increase salaries.
  - ~50% of companies adjusted compensation for different geographies.
  - ~40% of companies do not plan to adjust pay (at all or at least initially) for employees choosing to work remotely (of those that will allow remote working); another ~20% have not discussed or are unsure.

- **Around 80% of participants utilized an individual annual bonus target,** and in 2020 actual bonuses generally fell in line with target.

- **39% of firms offered carry to junior**-level professionals, up from 29% last year.

Responses for the 2021 survey were collected from 71 participants in the second quarter of 2021. Data was requested for 206 positions, with sufficient data received for 129 positions. Of those participating in the survey, 28% had gross AUM of more than $50bn; 21% had between $15bn and $50bn; 23% between $5bn and $15bn AUM; and 28% had less than $5bn AUM.

Defined Contribution Survey

Released December

Defined Contribution Taskforce (in partnership with DCREC)

Chair: David Skinner, *PGIM Real Estate*

Vice Chair: Jani Venter, *JPMorgan Asset Management*

Brian Lambert, *AEW Capital Management*

Tim Bolla, *BentallGreenOak*

Larry Mohr, *CBRE Global Investors*

Scott Spalding, *CBRE Global Investors*

Michael O'Connor, *Clarion Partners*

Jennifer Perkins, *LaSalle Investment Management*

Sara Shean, *PGIM Real Estate*

Kara Foley, *UBS Realty*

Responses for the 2021 survey were collected from 18 real estate investment management firms and 13 defined contribution institutional investors in the second quarter of 2021. Of those REIMs participating in the survey, the 75th percentile was $91.7bn, median was $48.3bn and 25th percentile was $22.4bn. Of institutional investors participating in the survey, 77% were plan sponsors and 23% were OCIO/TDF managers. Plan sponsor size ranged from $8bn to $13bn.

In 2021, NAREIM and Ferguson Partners partnered with the Defined Contribution Real Estate Council to conduct a survey on defined contribution capital raising, structuring, organizational metrics and best practices of REIMs in supporting strategies for the defined contribution market.

- **Median AUM of an investment manager managing dedicated DC real estate strategies increased more than 50%** over the past five years, and overall AUM increased 24%.
- **Almost 33% of DC investors invest with multiple managers,** a sign of comfort with real estate as an asset class and increased sophistication of investors.
  - Many investors are looking closer at asset-level and manager performance.
- **94% of managers surveyed having or actively developing a DC-focused real estate offering,** indicating growing interest in DC among REIMs.
- **ERISA DC client capital represented over 10% of net AUM,** approximately $94 billion as of year-end 2020.
  - DC capital AUM includes client investments both in dedicated daily valued private real estate vehicles as well as broader institutional real estate investment funds.
- **60% of managers surveyed saw net negative capital flows** in 2020.
  - 2020 was the first year the real estate investment management industry witnessed total net outflows of DC capital rather than net inflows. As with all businesses, the pandemic had a significant impact on priorities, with Covid-19 redirecting DC investor attention toward remote working protocols and maintaining employer contributions to the DC plan, rather than incorporating new asset classes within multi-asset strategies for DC plan participants.
- **Liquidity remains a critical component of managing DC capital.** The Defined Contribution Survey 2021 highlights two key takeaways in relation to liquidity:
  - 1) even in times of normal economic activity, liquidity to accommodate DC investor rebalancing is important; and
  - 2) in an economic downturn, such as 2020, redemptions and outflows can be significant; with an average liquidity sleeve of 15%, investment managers have built liquidity into their vehicles, which helped DC investors address rebalancing/asset allocation needs during the pandemic.

Global Real Estate DEI Survey

Released December

Representing more than 435,000 full-time employees, $2.4 trillion of AUM and a cross-section of the industry in terms of size, region and business classification, the Global Real Estate DEI Survey 2021 is the first global collection of corporate best practices and employee demographics for commercial real estate, tracking gender, race/ethnicity and nationality across seniority and job functions in Asia-Pacific, Europe and North America, as well as corporate practices in relation to DEI programs, recruitment, retention, training and development, inclusivity and pay equity. It was conducted in 2021 in partnership between NAREIM, Ferguson and ANREV, INREV, NCREIF, PREA, REALPAC and ULI and released in December.

- **92% of firms have adopted a DEI program or initiatives** to improve DEI in the workplace.
  - DEI committees are predominantly used by firms in North America (67%) - with only 21% of firms in the region employing professionals solely dedicated to DEI.
- **The global CRE industry is comprised of 58% men and 42% women.** The data differs by region:
  - Asia-Pacific: Men represent 53% of full-time employees (FTEs) compared to 47% of women.
  - Europe: Men represent 62% of FTEs compared to 38% of women.
  - North America: Men represent 59% of FTEs compared to 41% of women.
- **26% of Asia-Pacific board of director members are women.** In Europe and North America, this figure drops to 14% and 21%, respectively.
- For all regions, **women represent more than 50% of FTEs at the junior level.**
  - Asia-Pacific: Women comprise 32% of all executive management positions and 26% of board positions.
  - Europe: Women represent 16% of executive management and 14% of board roles.
  - North America: Women represent 20% of executive management and 21% of board of directors roles.
- **No one region tracks race/ethnicity or nationality the same way,** making global comparisons difficult.
- In North America (77% of DEI Survey participants), **professionals of color** represent 29% of FTEs.
  - Insufficient data was collected in 2021 in relation to nationality for Asia-Pacific CRE firms and race/ethnicity for Europe CRE firms.
- **72% of firms see extending parental leave beyond legal requirements** as a leading practice for driving an inclusive corporate culture.

Responses for the Global Real Estate DEI Survey 2021 were collected from 175 participants in the third and fourth quarters of 2021. Of those participating in the survey, 23% had gross AUM of more than $30bn; 19% had between $10bn and $29.9bn; 25% between $3bn and $9.9bn AUM; and 33% had less than $3bn AUM. Seventy-seven percent of responses were from North America, 16% from Europe and 7% from Asia-Pacific.

Members are invited to poll fellow NAREIM members for best practices on market trends and internal practices. There were seven member surveys conducted in 2021. Their responses are presented below.

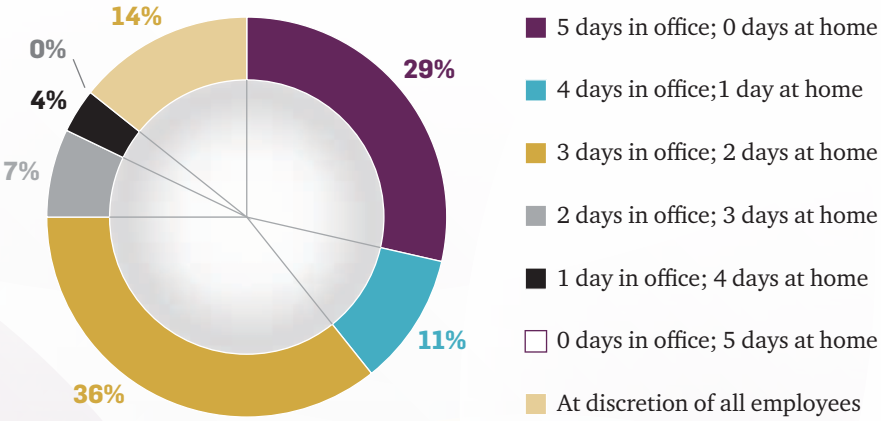
Return to office

Five surveys were conducted in 2021. Members were polled in March, May, July, August and December about returning to the office and work arrangements.

A return to office member survey was also conducted in Jan 2022. To access the latest surveys, go to the NAREIM website.

DECEMBER MEMBER SURVEY FINDINGS

What ratio of days in the office/days from home has or is being offered to employees after Jan 1, 2022?



- 64% of survey participants were offering flex work schedules as a long-term benefit. 13% offered flex schedules to all employees and another 13% offered flex schedules according to functional groups.

- Members revealed they were struggling most in terms of collaboration and training.
    - "Sometimes it is difficult to ascertain where people are, and it is challenging to have impromptu calls/meetings."
    - "We received push back particularly from junior to mid-level team members about a desire to work more from home than a single day."
    - "Likely a minor loss in overall efficiency, innovation, employee engagement and culture building. Short term impacts may not be material, but longer-term impact could grow overtime.

Vaccines and boosters

- 60% of firms required vaccines for employees to work in the office, either as a national corporate policy or in states where vaccines were required.
    - 13% of firms required boosters. A quarter of firms have required vaccines as a condition of employment.
    - Many firms have adopted an honor/attestation system, as well as asking for proof of vaccination status.
    - One member said that while vaccines were not required, non-vaccinated staff members had to wear a mask in the office, including at their personal workstation.

Carried interest

Members were polled in July about carried interest allocations and policies.

- 27% of REIMs were planning to change their carried interest allocation policies, at the CEO's expense, within the next 18 months.
  - The only reduction in allocation will come from the CEO.
  - Members cited new employees hired and concerns about labor market conditions as the primary reasons for the change.
  - Eleven functional groups that could see their share of carry increase include transactions and asset management, finance, HR, legal and data.
- For more than a third of firms, CEOs received 16% to 20% of carried interest. 13% of firms allocated 36% to 40% of carry to CEOs.
- One third of members allocated 6% to 10% of the carried interest pool to transaction teams, while 40% of members allocated 11% to 15% of carry to portfolio management.
- No allocations were made to securities (REIT, CMBS), due diligence/underwriting, development, leasing and valuations/appraisals.
- More than 50% of firms subjected departing CEOs to non-solicitation periods of 12 months or more.
- Asset management was the functional group most subject to non-solicitation rules, according to the survey, with typical durations of 9-12 months and 12 months+.
  - Functional areas least affected by non-solicitation rules were construction, A&E, development, leasing, property management, valuations/appraisals and administration.

Chief security/ information officers

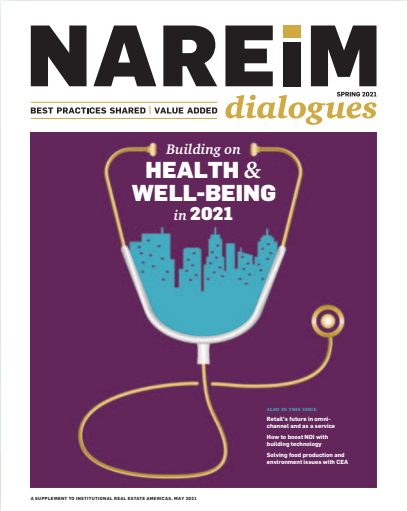
Members were polled in July about chief security/information officers.

- More than 50% of managers have a dedicated Chief Information or Chief Security Officer. Just under one-fifth of managers have designated resources. A further 18% outsource the role.
  - 50% created a stand-alone executive position within their firm.
- All members required multifactor authentication for remote access to corporate systems.
  - 80% of members prevent employees from installing software on core systems.
  - Two members said IT administrators were allowed to access the core systems, using separate accounts or elevated privilege accounts to provide access.
- Almost four-fifths of members were not certified by Service Control Organization (SOC). SOC certificates are issued by CPAs and governed by the AICPA. They provide a third-party audit of the design and controls around an investment manager's systems.
  - One reason cited for certification was LP requests.
  - Cost is a hindrance.

Thought leadership in 2021

NAREIM Dialogues Spring 2021 issue	26
NAREIM Dialogues Fall 2021 issue	27
NAREIM Jeff Barclay Fellows program	28

Spring 2021 issue



- **Building health & well-being: The time is now**
  NAREIM speaks with Jill Brosig of Harrison Street, Laura Craft of Heitman, Rachel Hodgdon of the International WELL Building Institute and Sara Neff of Kilroy Realty Corporation on the impact of Covid-19 on the work already underway, how to further improve the tenant experience and how small actions could have many beneficial long-term impacts

- **Finding reporting best practices at the asset level**
  John Caruso, Marybeth Kronenwetter and Joseph Nahas, Jr. speak with NAREIM about NCREIF PREA Reporting Standards' new task force to create best practices around asset-level reporting, where some low-hanging fruit potentially lie and benefits to investors and managers

- **Q&A: Retail as a service**
  NAREIM speaks with Manuel Martin, global head of retail at Nuveen Real Estate

- **Boosting NOI with building technology**
  Bob Geiger, Partner Engineering and Science, Inc.

- **The great REIM disruption?**
  Scott Brown, Fulcrum Global Investors, LLC

- **Bridging the GP-LP reporting gap with technology**
  Brandon Sedloff, Juniper Square

- **Let's raise a glass to 2020**
  Deborah Smith, The CenterCap Group

- **CRE's 2021 ESG opportunity**
  Raphael Rosen, Carbon Lighthouse

- **Controlled environment agriculture: The new asset class on the block**
  Jacob Tannenbaum, Barclay Fellow

Dialogues is NAREIM's platform for member thought leadership. It is published by and distributed with Institutional Real Estate Americas twice a year.

Spring 2021 issue, distributed with the May issue of IREI

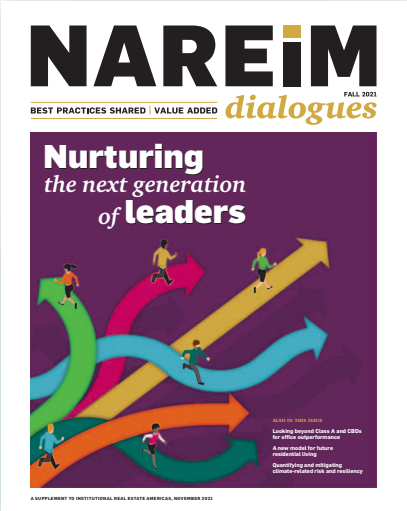
Delivered: 7,280

% opened: 22.3%

% clicked: 4.1%

Clicked-to-opened ratio: 18.3%

Fall 2021 issue



- **Leading in times of change**
  NAREIM and Bill Ferguson of Ferguson Partners speak with Molly Bordonaro of The Green Cities Company, Dave Kutayiah of Clarion Partners, Amy Price of BentallGreenOak and David Schwartz of Waterton Associates to discuss traits of great leaders and where the next generation of real estate investment management leadership will come from in a post-Covid world
- **Data with a global mission**
  For Bouwinvest, ESG data is an investment prerequisite and its global standardization an industry goal. Nick Russell of Juniper Square speaks with Robert Wagenaar about how the Dutch international investor incorporates climate risk exposure into its portfolio management tools, has built an automated data warehouse platform and is arming its investment teams with Python skills
- **Pillars of successful residential investing**
  Michael Keogh, Nuveen Real Estate
- **Assessing climate-related risk & resiliency**
  Dorit Ziv, Partner Energy, and Justin Lia and Gary Cohn, Partner Engineering and Science
- **Identifying winners in a bifurcating office sector**
  Sabrina Unger and Britteni Lupe, American Realty Advisors
- **Walking the DEI talk**
  Eliza Bailey and Kelsey Harstad, Belay Investment Group
- **The REIM impact fund opportunity**
  Anna Murray and Mike Keating, BentallGreenOak
- **Gateway suburban office outperforms CBDs**
  Jamil Harkness, Bailard, Inc.
- **3 tangible steps towards decarbonization**
  Raphael Rosen, Carbon Lighthouse
- **Honeybees create a sweet office amenity**
  Allen Aldridge, KBS
- **Targeting RE's next generation at the high school level**
  R. Kelly Cameron, MIT Center for Real Estate
- **Due diligence in the virtual era**
  Anh Duc Tran, Barclay Fellow

Dialogues is NAREIM's platform for member thought leadership. It is published by and distributed with Institutional Real Estate Americas twice a year.

Fall 2021 issue, distributed with the November issue of IREI

Delivered: 7,208

% opened: 26.5%

% clicked: 4.5%

Clicked-to-opened ratio: 16.9%

NAREIM Jeff Barclay Fellows Class of 2021–22

The NAREIM Jeff Barclay Fellows Class of 2021–22 was selected by NAREIM's Executive Officer committee and is one of the strongest fields yet, with a total of 68 candidates nominated from 11 graduate programs. In 2020, NAREIM received 45 nominations from eight schools.

The 2021–22 finalists are:

- **Javier DeLeon**
  USC, Marshall School of Business & Price School of Public Policy
- **Winnie Hui**
  Columbia Business School
- **Nicole Lam**
  DePaul University
- **Daniel Mandel**
  University of Wisconsin-Madison, Wisconsin School of Business
- **Samantha McPadden**
  Columbia University, Graduate School of Architecture, Planning and Preservation

The Fellows presented themselves at the NAREIM Executive Officer meeting, which was held in Austin, Texas from October 6–8. The meeting also featured futurist Peter Schwarz, conversations on retention and return, DEI and alternative investment strategies — with insights from Fred Tuomi, the former CEO of Blackstone, Starwood and Colony's single family homes platforms.

The Executive Officer committee judges included: Ross Berry, New York Life Real Estate Investors; Josh Myerberg, Morgan Stanley Real Estate Investing; Kristin Renaudin, Stockbridge Capital Group; Greg Michaud, Voya; Rick Hurd, Waterton Associates.

The Class of 2021–22 will participate in other NAREIM activities through the year, including contributing to the Spring issue of NAREIM Dialogues, and connecting directly with senior leaders within our member firms.

Named after the late Jeff Barclay, former NAREIM chairman, CIO of Clarion Partners and head of Goldman Sachs' real estate group, the NAREIM Jeff Barclay Fellows award is given to five outstanding graduate students each year. The program affords a unique learning and networking opportunity to attend the Executive Officer Meeting in October, as well as other NAREIM departmental meetings through the year, and the chance to be published in Dialogues magazine.

Looking ahead

2022 priorities for NAREIM 30

2022 priorities for NAREIM

From Zoe Hughes, CEO

Meetings

Member connections and meetings are the biggest area of focus for NAREIM in 2022 as the association pivots back to a full calendar year of in-person meetings, coupled with 60-minute virtual meetings for each functional group and committee, as well as subject-specific virtual sessions.

NAREIM's goal is to not only to facilitate networking and best practice sharing among peers, but to ensure they warrant your investment of time.

The quality of NAREIM's networking and content will be unparalleled in 2022. NAREIM will go deeper than other associations and be the most relevant in terms of the delivering the content and networking you need to do your jobs better and more effectively.

That means NAREIM will deliver more than 25 meetings in 2022.

We understand that different functional groups have different needs and want different formats. We also understand you come to meetings to network and so every meeting — including NAREIM's virtual connections — will be hyperfocused on networking.

In 2022, NAREIM will deliver to members:

- Eight in-person meetings, including Architecture & Engineering, Asset & Portfolio Management, Capital Raising & IR, Data Strategy, Executive Officer, Sustainability and Talent Management.
- Cooking competition networking evenings are planned for meetings, as well as group activities and case study/scenario roundtable discussions during the day.
- In-person lunch speaker workshops for Acquisitions.
- Black Real Estate Roundtable networking evening in NYC promoting cross-NAREIM networking and mentoring for junior, mid and senior-level professionals.
- Additional capital invested in group activities to heighten networking for all meetings, including Executive Officer.
- Lower meeting registration fees — since 2018, registration fees have been reduced more than 25% on average.
- 17+ virtual 60-minute meetings for all functional groups and committees.
    - Three talent management Zoom connections for HR leaders and senior talent management professionals per year.
    - Dedicated DEI Summits, focused on roundtable conversations among managers.

- New Compensation Committee providing strategic direction to the NAREIM-Ferguson Compensation Survey.
- All virtual meetings are complimentary and provide junior professionals the ability to network and learn without the expense of travel, hotel and conference fees.

2021 was a year of collaboration — and that will continue in 2022, particularly in relation to NAREIM's benchmarking research.

Collaboration

- **Global Real Estate DEI Survey:** NAREIM has tracked DEI at the corporate level since 2017, and in 2021 we partnered with ANREV, INREV, NCREIF, PREA, REALPAC and ULI to expand the survey and create the Global Real Estate DEI Survey. In 2022, that expansion will continue as we work with other Associations to promote the Survey and encourage participation across more European, Asian and CRE firms.

  The DEI Survey is the industry's first global collection of corporate best practices and employee demographics for commercial real estate, tracking gender, race/ethnicity and nationality across seniority and job functions in Asia-Pacific, Europe and North America, as well as corporate practices in relation to DEI programs, recruitment, retention, training and development, inclusivity and pay equity. Conducted by Ferguson Partners, the DEI Survey helps create a true global benchmark for investment managers and the wider industry on DEI practices and demographics.

- **Data Strategy:** During 2022, NAREIM will ask the Data Strategy Committee to help NAREIM plan and execute on a data strategy benchmarking survey of organizational metrics, as well as a ranking of property manager performance.

- **Supporting other Associations' work:** There is some amazing work taking place within other industry Associations, and NAREIM will promote and support that work, including on issues such as DEI, reporting standards, data strategy, capital raising and ESG.

Diversity, Equity & Inclusion

There was a lot of work on Diversity, Equity & Inclusion in 2021. And 2022 will be no different, and will include:

- DEI data collection roundtable and article to be published in the Spring issue of Dialogues providing how-to advice on collecting impactful DEI metrics and preventing employee data collection burnout.

- Build the DEI Resource library, particularly partner group contacts for building diverse pipelines.

- Transform the NAREIM Job Fair into a virtual education fair, with an increased effort on accessing diverse real estate schools and colleges and promoting REIM as an industry to junior talent.

- Promote the adoption of core DEI KPIs among service providers, LPs and consultants.

NAREIM

NAREIM
99 Wall Street #1340
New York
NY 10005

www.nareim.org