

# eFINANCIAL CAREERS

## REIT Job Market Rebounding

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One of the few bright spots in the darkening economic outlook is the real estate market, which is starting to emerge from its comatose state of the past few years. That is good news for people looking for work at Real Estate Investment Trusts (REITs).

Recruiters who focus on the industry are seeing a pick-up in demand from across the REIT sector. Though demand is rising, experts point out that the job market has not recovered to its pre-Recession levels and may never do so. Moreover, the real estate job boom isn't everywhere. For instance, people with backgrounds in land acquisition continue to have trouble finding work because there just isn't much need for that skill.

### **REITS outperform the market**

The outlook for REITs, which outperformed the market in both the second quarter and the first half of the year, remains solid. If the economy improves as expected, which is not saying much, vacancies should fall and rents should begin to rise. The Urban Land Institute expects housing starts to nearly double by 2013 and home prices to begin to rise by then too.

“The job market has gotten better,” said Kip Gillian, the head of Gillian Executive Search in Long Beach, Calif., who recruits in the REIT sector. “I am getting hit from every direction.”

### **Opportunities vary widely**

Opportunities in REITS vary widely by company, which can complicate a job search. According to Gillian, multi-family is the “hottest” sector though he’s seen some movement in retail REITs and hospitality REITS. Bill Whitlow, a partner with San Francisco-based Terra Search Partners, echoed his views.

“While REITs in every property sector are again hiring, by far over the past 18 to 24 months it has been the apartment REITs which have done the bulk of hiring,” he said. “Until recently, roughly 70 percent of our retained search business has been in the multifamily sector ... Conversely, the commercial office sector has been slower to respond from a new hiring perspective. And other sectors such as retail have generally been even more sluggish. However, we have seen more hiring in all of these sectors lately.”

Gillian estimates that about 10 percent of the applicants for REITs meet the qualifications of the listings his firm posts.

“Clients are not desperate for candidates,” he said. “There is a plethora of land acquisition guys ... A lot of them were chasing deals through the recession. This has been awful ... It’s like a bomb hit and scattered people all over the place.”

### **Skills in demand**

Among the skills that are in the greatest demand is the ability to create additional value within existing asset portfolios through property management, leasing, asset management, marketing and the oversight of capital improvements and budgeting, the recruiters said.

Candidates are encouraged to keep their expectations realistic. Re-locations do occur for “candidates of choice,” but even then companies won’t cover the cost differential people incur by buying and selling their homes, according to Whitlow. Equity participation is sometimes provided to entice top candidates and compensation has remained relatively flat.

“In the apartment sector, because apartments are often available, providing a furnished apartment is not uncommon,” he writes. “However, signing bonuses are rare unless a candidate is hired toward the end of the year and therefore must forgo a year-end bonus at their current place of employment. Even then, client companies will often be flexible and often wait until the year-end bonus has been paid before requiring the candidate starts.”