# How Human Capital is shaping the Global Real Estate Outlook for 2025

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# Topics of Discussion



#### Global Real Estate Talent Trends in 2025

# - Key themes we're observing across the market

#### **CEO SUCCESSION IN FOCUS**

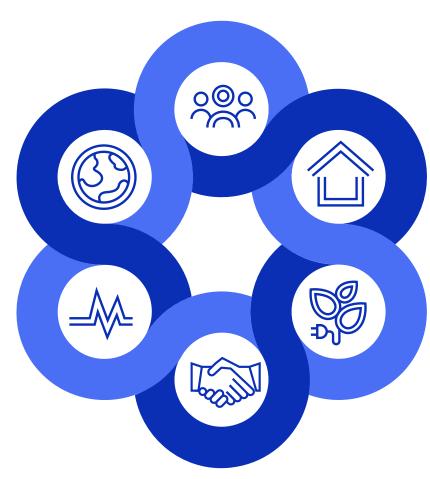
The impending retirement cliff is prompting firms to accelerate leadership transitions, making succession planning critical to future-proofing their organizations.

# RISING DEMAND FOR REAL ESTATE EXPERTS ON BOARDS

Boards are seeking deeper sector expertise to navigate complex market dynamics.

#### STRATEGIC, VALUE-DRIVEN HIRING

Talent decisions are increasingly aligned with business strategy, as shifting operating models drive demand for leaders who can build it, buy it, or evolve it.



#### CROSS-SECTOR TALENT FLOW FROM REAL ASSETS

Professionals with real assets experience are increasingly permeating traditional real estate roles, bringing broader perspectives.

#### GLOBALIZATION OF TALENT POOLS

As the industry globalizes, firms are sourcing talent across borders, but preserving local market insight remains crucial to success.

#### **TECHNOLOGY AS A DISRUPTOR**

Data analytics and AI are reshaping roles, requiring new skillsets and adaptive hiring strategies.



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# Looking ahead, the landscape of CEO turnover in Real Estate is poised to escalate further

#### Demographic shifts

Aging leadership in developed markets is creating a looming "retirement cliff" in the Real Estate sector. Many seasoned CEOs and senior executives are nearing retirement, raising concerns about leadership continuity. With a median age of 48.9, the real estate industry has the oldest workforce among all financial services sectors. This demographic shift underscores the urgent need for strategic succession planning, effective intergenerational knowledge transfer, and leadership development models that focus on building and sustaining a strong talent pipeline.

## Limited supply of CEO-ready leaders

Since the global financial crisis, many rising leaders in Real Estate have built expertise in narrowly defined areas—such as capital markets, development, or asset management—rather than across the full investment lifecycle. As a result, the pool of professionals ready to assume the CEO mantle is constrained, with few possessing the broad-based operational, financial, and stakeholder-management experience required in today's environment.

#### Complexity of the CEO role

Leading a Real Estate organization today is more complex than ever. CEOs must navigate rising interest rates, housing affordability crises, the impacts of hybrid work on office demand, climate resilience requirements for assets, and evolving urban policy frameworks. In addition, convergence with private equity and infrastructure is reshaping traditional business models. The real estate CEO of the future must be as adept in data analytics, ESG strategy, and publicprivate partnerships as in traditional deal-making and development.

# Increased public and regulatory scrutiny

The role of a CEO now comes with heightened public scrutiny. One move can dramatically make (or derail) a career, resulting in less stability in the role. Investors and communities alike are demanding greater transparency and accountability. Boards are under increasing pressure to ensure succession plans are robust, future-focused, and aligned with both governance mandates and stakeholder expectations.

## Real Estate corporate governance trends

Having completed hundreds of executive and board placements across the real estate industry, we have gained valuable insights into the evolving corporate governance landscape for real estate companies.

# Resurgence of real estate specialization

#### Anticipate a growing demand for real estate expertise on boards.

Over the past decade, real estate boards have prioritized hiring diverse talent from various industries and functions. Recently, there's been a shift towards recruiting directors with real estate experience, recognizing the need for deep industry knowledge due to a wave of retirements affecting the sector.

# Investor activism continues to be a top priority

#### We expect activist investors to remain a threat to real estate companies in 2025.

In 2024, 34 activist campaigns were launched against public real estate companies, showing a steady increase from 31 in 2023. Board-related issues remain the primary focus of these campaigns, followed by strategic matters and M&A.

# Prioritization of capital raising skills

# There is an increasing demand for capital raising and placement expertise on boards.

This is especially evident in REITs, which have traditionally relied on leveraging their balance sheets for capital raising. However, there is now a shift toward appointing individuals with experience in third-party capital raising to boards, where they can offer guidance on establishing separate accounts or funds to manage off-balance sheet transactions.

# Global expansion drives demand for cross-border talent

# As real estate companies expand their presence beyond the U.S., we anticipate that boards will also diversify to include more international representation.

Recently, we have observed logistics, selfstorage, and data center companies expanding into Europe. As a result, there is increasing demand for European talent on boards, and similarly, European companies are seeking talent from other regions.



#### Build It, Fix It, Evolve It

The real estate landscape is undergoing a significant evolution, with organizations seeking to transform their operating models to drive growth. In response, we're seeing a wave of strategic leadership hires brought in to build, optimize, or evolve these models. Some examples include:

 Traditional owner-operators and developers are evolving into full-fledged investment management platforms. This strategic shift has led to increased hiring at the senior level

 such as Chief Investment Officers, Heads of Capital Formation, and Portfolio Managers – to support fund structuring, capital raising, and institutional-grade governance.

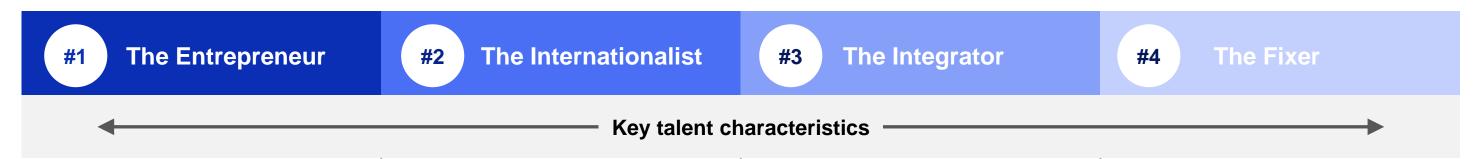
**BUILD IT EVOLVE IT** FIX IT

 New and expanding players – including private capital firms, institutional investors, and operating platforms – are building dedicated real estate or real assets businesses from the ground up. They're hiring senior talent to shape strategy, build operational infrastructure, and scale across geographies and product types in line with long-term capital goals.

> Some organizations are bringing in fresh leadership to revitalize legacy funds or reposition underperforming portfolios. This includes hiring turnaround or value-add executives – such as portfolio managers, asset managers, or operating leaders – to recalibrate strategies, integrate public and private market mindsets, and drive performance across assets or business units.

#### The ultimate Real Estate leader archetypes

Beyond traditional hard skills, the soft skills and personal attributes of real estate leaders are critical to the success of real estate companies in 2025 and beyond, and must be a key consideration in talent recruitment.



- Comfortable operating in ambiguity, with a hands-on approach to problem-solving and decision-making.
- Takes ownership and drives initiatives with a founder's mentality, balancing risk-taking with strategic foresight.
- Thinks creatively to unlock value, often challenging the status quo and fostering a culture of innovation.
- Strong commercial acumen, with an instinct for identifying market gaps and capitalizing on emerging trends.
- Empowers teams to think entrepreneurially, encouraging autonomy and fostering a solutionsoriented mindset.

- Fluent in the commercial and cultural dynamics of US, APAC, and European markets, with a strong understanding of cross-border business drivers.
   This global perspective is increasingly valuable as political uncertainty in the US prompts many investors to renew their focus on APAC and EMEA
   regions regaining strategic significance after a period of relative quiet.
- Combines global strategic vision with the ability to operate effectively at a local level, tailoring approaches to fit specific market conditions.
- Brings cultural sensitivity across asset classes, recognizing how regional dynamics shape broader real estate strategies.

- Masters the art of alignment bringing together diverse stakeholders across functions, regions, and disciplines to execute complex strategies.
- Excels in change management, guiding organizations through transformation with clarity, empathy, and resolve.
- Translates vision into executable plans, ensuring that innovation and global strategies are operationalized at the ground level.
- Builds bridges between technology, talent, and business goals, recognizing that real estate is increasingly a platform for integrated services.
- Highly emotionally intelligent, able to lead with influence rather than authority, and foster collaboration in matrixed environments.

- Similar to the Integrator, the Fixer thrives in complexity – but where the Integrator builds alignment, the Fixer rebuilds foundations.
- They are energized by challenge and opportunity, stepping into environments that require urgent transformation or cultural repair.
- Whether revitalizing underperforming funds, correcting organizational drift, or resetting leadership dynamics, the Fixer brings clarity, pace, and a bias for action.
- Visionary yet pragmatic, they are often brought in at moments of inflection – where the stakes are high and the need for visible change is immediate.



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## Forces impacting Real Estate talent: a functional perspective

#### **Board and CEO**

- There's renewed interest in appointing core real estate professionals to boards, reversing the recent trend of recruiting external sector generalists. This reflects a desire for directors who deeply understand the nuances of the industry and can engage with operational realities.
- At the same time, globalization is shaping board composition firms are actively seeking individuals with international experience to guide cross-border strategies and global growth.
- Recently retired CFOs remain in strong demand, particularly for their Audit Chair credentials and financial oversight. Firms are also showing appetite for more activist-minded directors who can challenge constructively and drive accountability.

#### **Finance**

- CFO turnover remains high, partly due to their growing visibility as CEO succession candidates. The role is evolving – what's needed in a bull market differs markedly from what's required in today's more volatile climate.
- There's a clear shift away from CFOs with traditional accounting backgrounds toward those with deeper capital markets, M&A, and strategic finance expertise reflecting a broader move from scorekeeper to enterprise strategist.
- CFOs are under pressure to balance regulatory demands with value creation, often with limited resources. Post-merger integration experience is especially prized in navigating today's complex deal environment.



#### **People and Culture**

- Real estate firms are actively upgrading their HR functions, recognizing the need to
  modernize after falling behind other parts of financial services. This has driven
  demand for talent from broader FS and adjacent industries with best-in-class
  experience.
- While CHRO roles remain narrower than in other sectors due to the presence of specialist functions (e.g. risk, compliance, governance), we are seeing remit expansion in areas like CoSec, organizational transformation, and real estate.
- HR leaders are increasingly involved in M&A, succession planning, and career development, while continuing to drive reward, performance, and board-level engagement particularly in support of the RemCo Chair.

#### **Compliance, Risk and Controls**

- The increase in regulatory scrutiny post covid is demanding more time from all three lines of defense; Executives need to navigate process through cultural expectations.
- The emphasis on leveraging technology to meet risk challenges (e.g. machine learning) has created a demand for talent with this expertise.
- The expectation for strong commercial acumen across risk and controls is not easily matched by the talent pool.

#### **Technology and Digital**

- Technology leaders in financial services drive strategic progression through their insight, innovation, and adaptability. Expediting digital transformation necessitates linking technology enablers to operational improvements and prioritizing the development of new digital revenue streams and customer touchpoints.
- The emergence of advancements like generative AI brings new risk and compliance challenges, intensifying the competition for skilled technology talent.

#### **Legal and Governance**

- The volatile regulatory landscape presents significant challenges for General Counsel. With changing
  administrations and diverging approaches to regulation in different global markets, the GC must balance
  adherence with business priorities while keeping reputational factors in mind, and have a finely tuned sense as to
  how far to leap when external factors change suddenly.
- We see a shift towards internal appointments with a track record of delivery on complex, high-profile initiatives that span beyond legal.

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## Framing the market: CEOs, CFOs, CHROs, and CTO/CIOs

#### CEOs:



220

Incoming CEOs in 2024, reaching a six-year high





**275** 

Incoming CFOs in 2024, just below the global record witnessed in 2023





148

Incoming CHROs in 2024, continuing to decline to fiveyear lows





81

Incoming Fortune 500 CTO/CIOs in 2024.



85%

of incoming CEOs in 2024 were step-up candidates, reaching a six-year high



60%

of incoming CFOs in 2024 were step-up candidates



53%

of incoming CHROs in 2024 were step-up candidates



54%

of incoming Fortune 500 CTO/CIOs in 2024 were step-up candidates



7.4 years

years was the average tenure of departing CEOs in 2024



5.8 years

years was the average tenure of departing CFOs in 2024



4.6 years

years was the average tenure of all departing CHROs



4.8 years

years was the average tenure of all CTO/CIOs in the Fortune 500.



30%

of outgoing CEOs retired, the highest proportion since 2018



54%

of outgoing CFOs retired in 2024 reaching a five-year high



24%

of incoming CHROs in 2024 came into expanded remits, up from 13% in 2023.



**78%** 

of Fortune 500 CTO/CIOs were part of the ExCo.

Source: RRA CEO Turnover Index: Sample: 220 incoming and 202 outgoing CEOs in 2024; Global CFO Turnover Index; Sample 275 incoming and 243 outgoing CFOs in 2024; Global CHRO Turnover Index; Sample 148 Incoming and 153 outgoing CHROs in 2024. CTO/CIO Sample: 81 incoming CIO/CTOs in Fortune 500 companies 2024.

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