



# Real Estate's Human Capital Response to COVID-19: Pulse Survey

## Executive Summary

Second Edition: September 2020



# Introduction and Overview

Ferguson Partners is pleased to present this summary of findings taken from our second COVID-19 pulse survey series, which includes information from 181 commercial real estate companies. This unique, industry-specific survey examines “real-time” human capital trends amidst the COVID-19 pandemic. Data was collected in July of 2020 and we have, in certain cases, made comparisons to the inaugural edition of the COVID-19 pulse survey conducted in April 2020.

**If you would like to ensure your free copy of the next full report, please contact Sonya Nicks at [snicks@fergusonpartners.com](mailto:snicks@fergusonpartners.com) to confirm your participation in the third survey in this series.**

# Topline Findings

## COVID-19 Continues to Create Uncertainty in Compensation Planning

- Most participants have not yet determined how performance will be evaluated for the year highlighting the challenges in fairly assessing both financial and individual performance in the current environment
- Only 11% of participants have reduced salaries (up from 7% in April) but another 11% have now reported forgoing scheduled increases as pressure on cash flow remains uncertain in a number of asset classes

## More Than of Half of Companies Continue With Hiring Plans

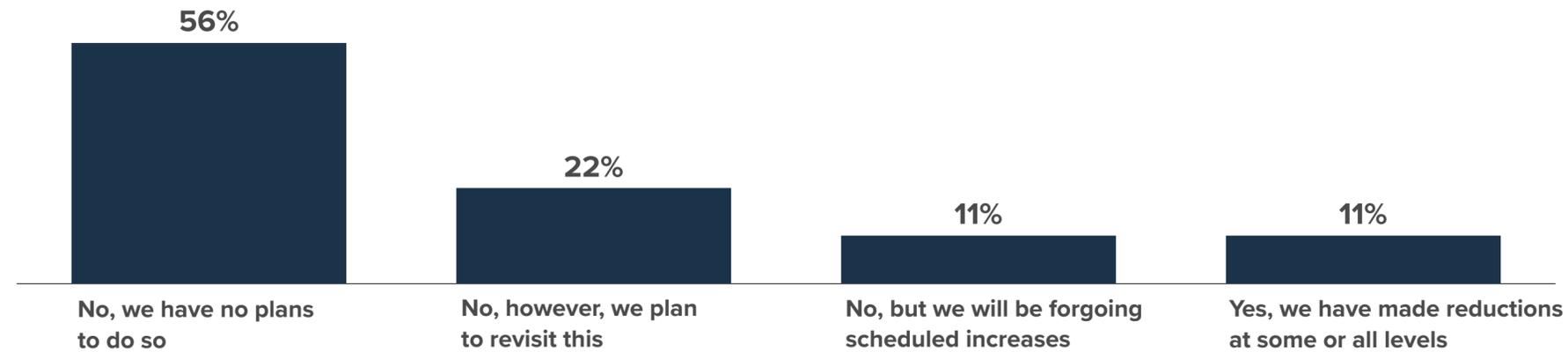
- Most companies (49%) reported a cautious approach to hiring but still plan to do so, while the number of companies that anticipate no impact to hiring jumped from 7% to 19% signaling that some organizations are beginning to see a light at the end of the tunnel
- The number of participants that reported a temporary hiring freeze decreased by 9% (down from 32% in April to 23% in July)

## Challenges Remain in Returning to Normal Operations But Progress Being Made

- While optimism about returning to “normal operations” in 2020 crashed from April to July (decreased from 58% to 24% of respondents), companies are instituting a phased-in approach with 75% of companies reporting that some employees have returned to the workplace in conjunction with a number of safeguards

# Executive Summary—Compensation

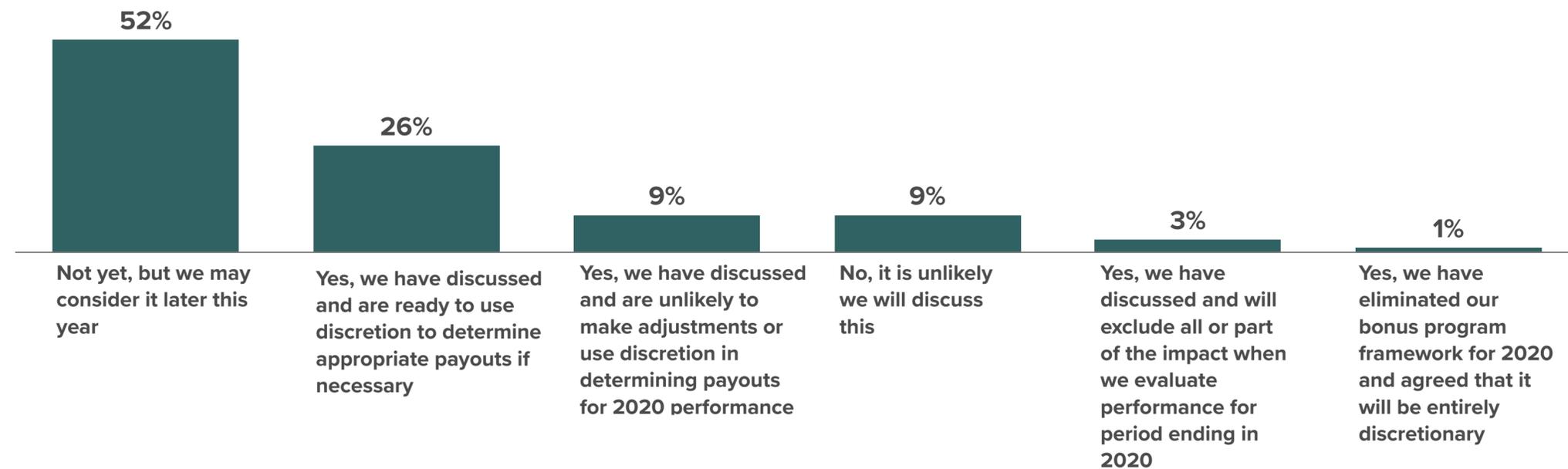
Have you, or do you expect to make changes to base salary levels in response to COVID-19?



- 56% of firms have no plans to change base salary levels in response to COVID-19. This is in line with the 61% who said the same in the April edition of the report
- Of the 11% of companies that implemented base salary reductions, the majority are still in place and will remain for the balance of 2020
- Of those companies that implemented base salary reductions, they range from a median reduction of 28% at the CEO level to 10% across the broader employee population

# Executive Summary—Compensation

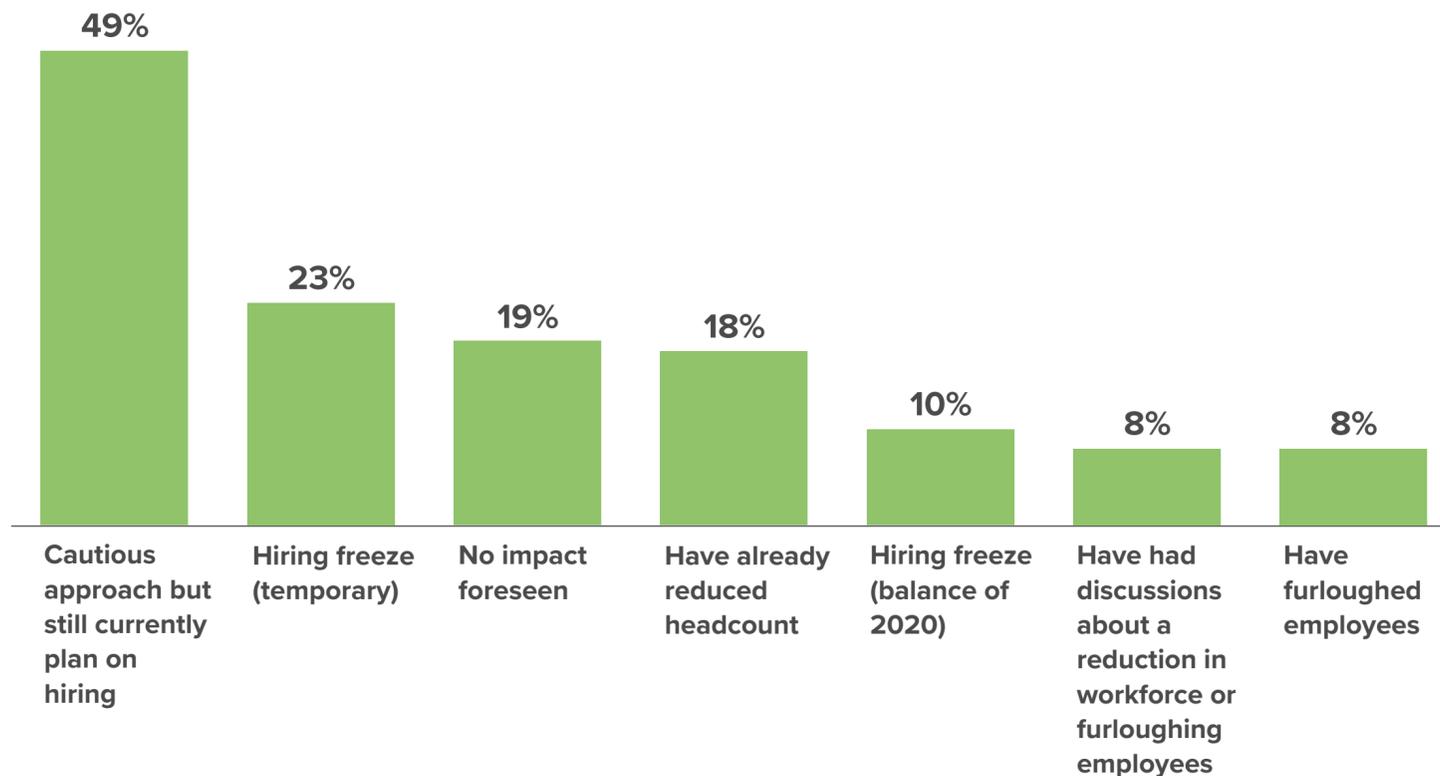
Has your company/board made any decisions about how it will evaluate performance year 2020 bonuses in light of COVID-19?



- Compared to April, more participants (26% vs 19%) have reported that they plan to use discretion to determine appropriate 2020 bonus payouts, while more than half (52%) have not yet determined if/how discretion will be applied for year-end bonus decisions
- While it is still too early for many companies to make decisions in regards to COVID-19's impact on incentives, companies have made other adjustments to compensation including: suspending 401k matches, restricting overtime, suspending mid-year promotions, and bonus increases for front-line workers

# Executive Summary—Workforce Planning & Talent Practices

How has COVID-19 affected your workforce planning?  
(Check all that apply)



- Nearly half (49%) of participants are still planning on hiring, though taking a cautious approach. This is consistent with the April figure of 49%

- Of those companies who implemented a temporary hiring freeze (23%), over a third have lifted it
- Of the 18% of companies who have reduced headcount, the median reduction was 6%
- Of those companies who furloughed employees (8%), a median of 80% have returned to work
- Compared to the April edition of the survey, talent practices across the board are less likely to be on hold

**Top Recruiting Concern:**  
Property Management Positions

**Top Retention Concern:**  
Accounting/Finance Positions

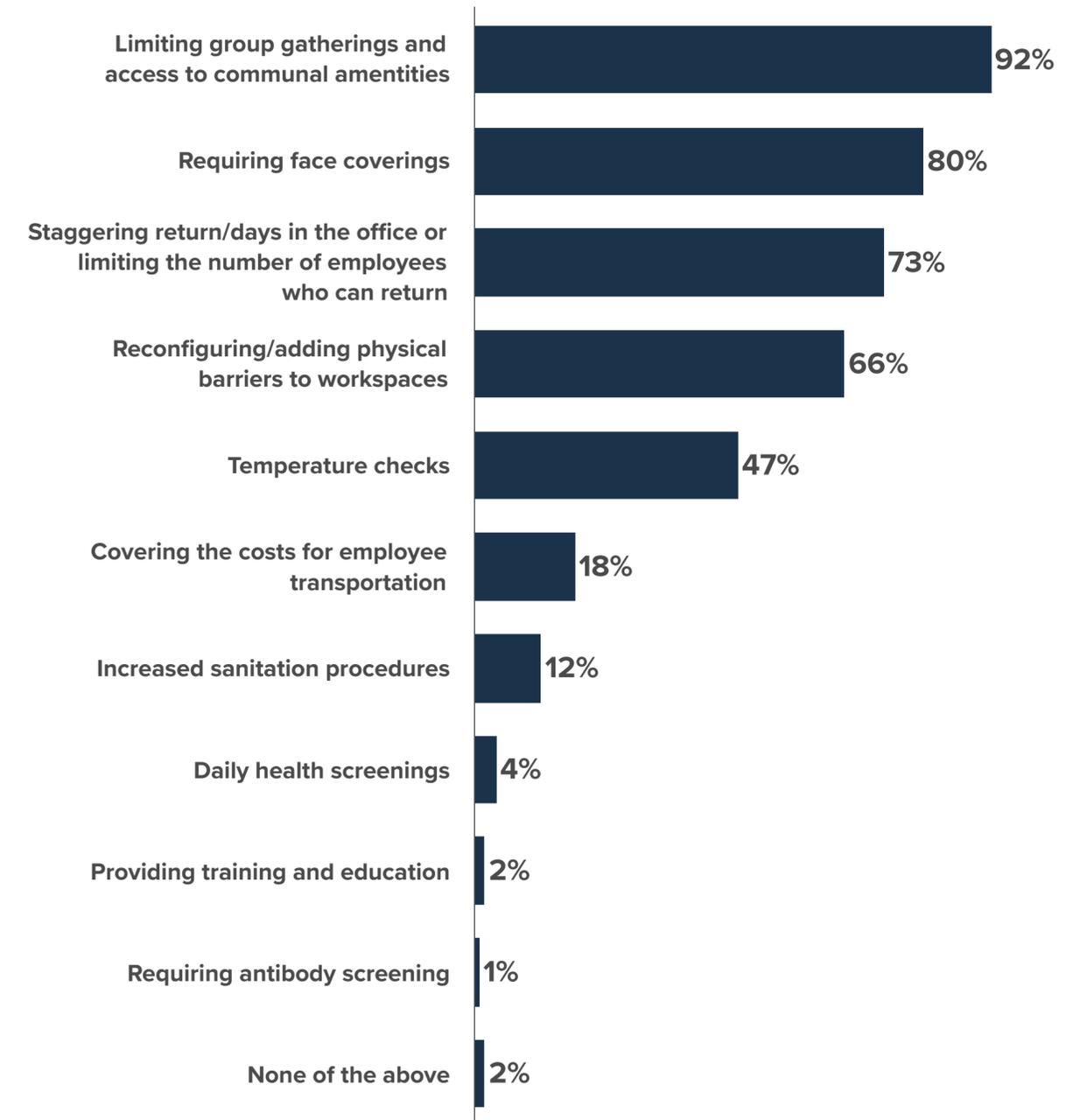
# Executive Summary—Operations

- Respondents remain happy with their technical infrastructure—over 80% of firms still rate their technology infrastructure as either reasonably prepared or well-prepared for the digital communication, cybersecurity, and remote working demands caused by COVID-19
- In April, respondents were more optimistic about returning to normal operations; then, only 5% of respondents anticipated a resumption in 2021 compared to 31% today. Nearly half of respondents (45%) are unsure as to when their company will resume normal operations, a slight uptick from the 37% in April



- 75% of respondents have had some of their employees who had been staying home return to the workplace and 69% of those offered employees a choice as to whether or not to return
- Of the 75% of companies whose employees have returned, the median percentage returning is 25%. However, participants reported wide ranges—from just 1% of employees to all 100% of staff

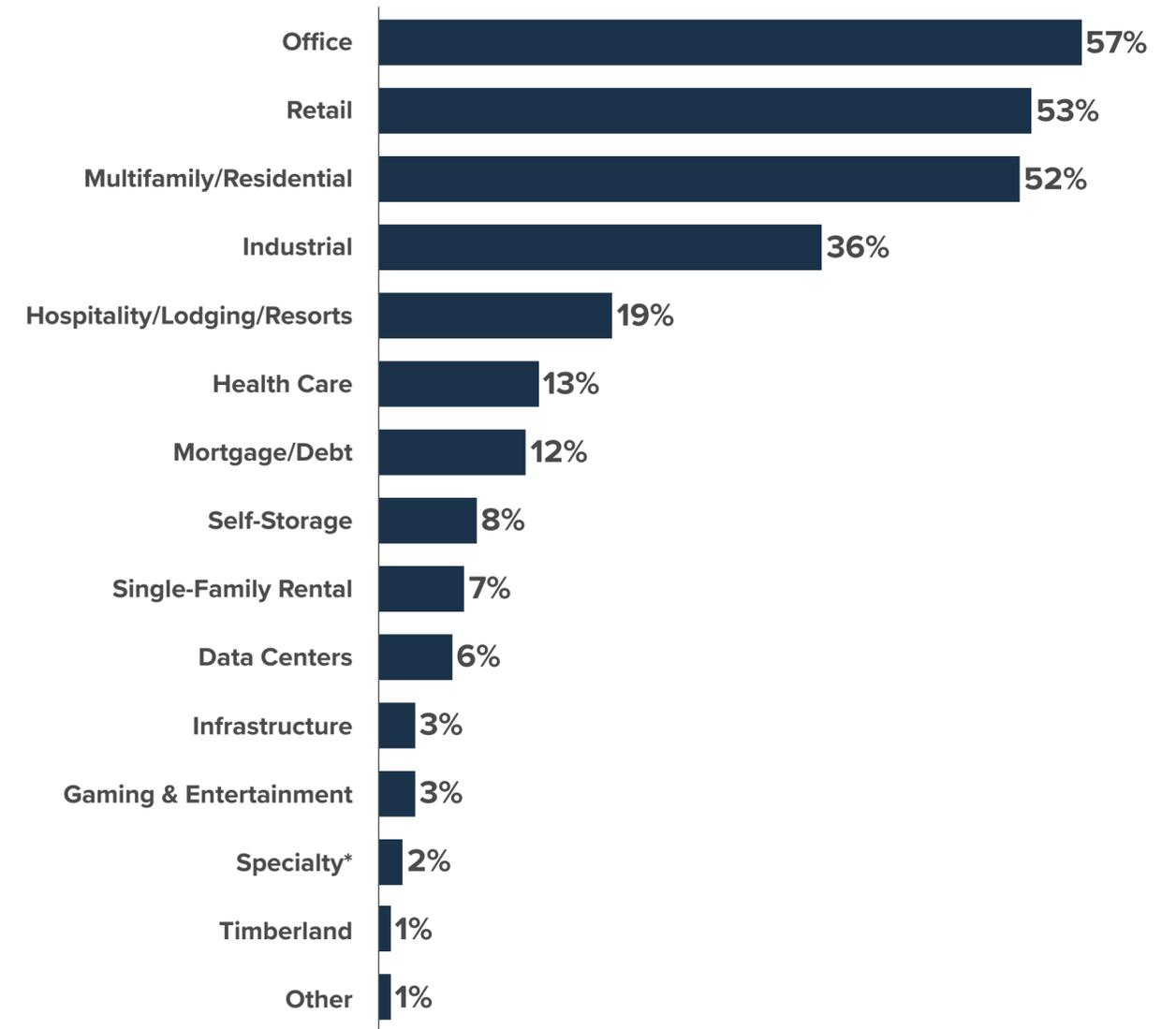
- Companies returning to the workplace (75% of participants) have implemented a number of safeguards including:



# Participant Information

- 79% of respondents answered on behalf of their US-based offices, 14% on behalf of offices in Canada, 4% in Europe/UK, and 3% in Asia-Pacific
- Private (non-listed) companies comprise 60% of the survey's respondents. The remaining 40% are listed (public)
- 39% of participating companies are Real Estate Investment Trusts, 35% are Real Estate Investment Managers, and the remaining 26% are a combination of Developers, Real Estate Operating Companies, Commercial Brokerage/Services firms, and Mortgage Finance companies

## What is your company's asset focus/property expertise?



\*(Farmland, Correctional Facilities, Billboards, etc.)  
Other includes: Ground leases and land

# Contact

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

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