



Diversity is a priority for majority of CRE firms, global benchmark reveals

ANREV, INREV, NAREIM, NCREIF, PREA, REALPAC and ULI joined forces with Ferguson Partners in 2021 to track global real estate diversity, equity and inclusion (DEI) data around corporate practices.

According to the results of the 2021 DEI Survey, 92% of commercial real estate firms globally have a DEI program or initiatives highlighting a clear mandate and momentum for DEI to be a priority within the industry. The Survey also reveals the gender composition of the CRE industry, with men representing 58% of employees and women representing 42%.

Thursday, December 16, 2021:

The first global benchmark of diversity, equity and inclusion (DEI) metrics for commercial real estate shows that there is a clear mandate and momentum for DEI to be a priority, with 92% of firms adopting a DEI program or initiatives to improve DEI in the workplace.

The Global Real Estate DEI Survey is the industry's first global collection of corporate best practices and employee demographics for commercial real estate. The Survey tracks 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.

The 2021 Global Real Estate DEI Survey, a partnership between ANREV, INREV, NAREIM, NCREIF, PREA, REALPAC and ULI and conducted by Ferguson Partners, also reveals that CRE firms are increasingly employing professionals dedicated to DEI or utilizing DEI committees.

In Europe, 43% of CRE firms have professionals solely dedicated to DEI, while in Asia-Pacific that figure is 33%. In North America, 21% of firms have dedicated DEI professionals while 67% of firms have formal DEI committees responsible for developing, implementing and reviewing DEI strategies and initiatives. In both Asia-Pacific and Europe, around 44% of CRE firms utilize DEI committees.

The Survey, which collected 175 responses covering 435,000 employees globally and representing \$2.4tn of gross assets under management, was conducted between September 8 to October 29, 2021. Almost three-quarters of participants reported data for the North America region (77%), with 16% of organizations reporting for Europe and 7% of participants reporting on behalf of the Asia-Pacific region.

Key findings include:

DEI is a priority: 92% of CRE firms globally have a DEI program or initiatives to improve DEI.

- Of the 92% of firms with a DEI program or initiatives to improve DEI, 47% of CRE firms have a formal DEI program and 45% of CRE firms have DEI initiatives and policies to improve diversity, equity and inclusion in the workplace.
- According to the Survey, 25% of firms globally employed professionals solely dedicated to DEI. In Europe, that figure was 43% while in Asia-Pacific, 33% of CRE firms had dedicated DEI professionals. In North America, 21% of CRE firms had dedicated DEI professionals.
- DEI committees are predominantly used by firms in North America (67%) and by larger organizations globally. In Asia-Pacific and Europe, DEI committees are utilized by around 44% of firms.
- Of the firms with at least one dedicated DEI employee, the DEI employee is usually at the senior level. DEI committees also typically report to the C-suite executive or directly to the CEO or other senior leadership.

Gender balance: The global CRE industry is comprised of 58% men and 42% women. The data differs by region.

- In the Asia Pacific region, men represent 53% of all full-time employees (FTEs) compared to 47% women. In Europe, men represent 62% of all FTEs compared to 38% for women. In North America, men represent 59% of all FTEs compared to 41% for women.

Gender and seniority: For all regions, women represent more than 50% of FTEs at the junior-level. The gap between male and female employees widens for all regions as professionals progress through their careers to executive management positions and the board of director level.

- Asia-Pacific CRE firms have the greatest representation of women in senior positions with women comprising 32% of all executive management positions and 26% of board positions. In North America, women represent 20% of executive management and 21% of board of directors roles, while in Europe women represent 16% of executive management and 14% of board roles.

Race/ethnicity and nationality: No one region tracks race/ethnicity or nationality in the same way making global comparisons difficult.

- In North America (77% of participants), 29% of FTEs are professionals of color. Insufficient data was collected in 2021 in relation to nationality for Asia-Pacific CRE firms and race/ethnicity for Europe CRE firms.

Recruitment practices: Three practices emerge as key tools organizations globally adopt to improve the recruitment of underrepresented professionals, including:

- Promoting the organization as a representative workplace to diverse candidates (63%), ensuring individuals from underrepresented groups are in the candidate pool before making a hiring decision (61%) and seeking to remove bias and adverse impact from the hiring process (60%).

Retention practices: Outlining clear job requirements and job expectations is the primary tool for retaining diverse talent in the workplace, with 97% of firms saying it is a strategy already implemented or set to be adopted in the next year.

- A further 93% of CRE firms globally also said they are already providing or are planning to implement in the next year work-life balance programs, such as childcare and flex schedules. Work-life balance programs scored the highest in Europe, where all firms said they had already implemented the practice or planned to implement the policy in the next 12 months, followed by Asia-Pacific and North America firms (92%, respectively).
- Impact: Offering work-life balance programs is deemed the DEI policy that has been the most “impactful” to CRE organizations globally. Impact is not defined in the Survey, with participants asked to score policies on their perceptions of what has been most impactful to their firm. The second-most impactful policy is ensuring individuals from underrepresented groups are in the candidate pool before making a hiring decision.

Training and development practices: When it comes to DEI, communication is key for CRE firms globally, with 92% of respondents either currently implementing or planning to implement DEI communication strategies for employees in the next 12 months. Globally, 80% of CRE firms currently have employee communication strategies for DEI, while 12% of firms are planning to implement strategies in the next year.

- Communicating DEI’s importance to professionals ranks as the most cited practice in North America and Europe in relation to DEI training and development. In Asia-Pacific, anti-harassment and anti-discrimination training is cited as the most common practice.

Inclusive culture practices: Providing work-life balance programs, such as childcare and flex schedules, is the highest scoring practice when it comes to company retention policies.

- Almost eight out of 10 (77%) CRE firms globally are currently implementing or planning to implement parental leave beyond legal requirements in the next 12 months.

Tracking and accountability practices: One of the most important tools to track data and provide accountability around DEI efforts is the exit interview, with 91% of survey participants saying they currently implement or plan to implement the practice within the next 12 months. Globally, 77% of CRE firms currently gather and analyze exit interview data, while 14% of firms are planning to implement the strategy in the next year.

- In the coming year, 31% of CRE firms plan to more widely track and monitor the DEI policies of suppliers.

Data collection practices: Data collection is where all CRE firms start their DEI work. While it is only part of the challenge in addressing DEI in the workplace, it is critical to understand and track progress. For a majority of those CRE respondents who track demographic data as a part of these efforts, the key metrics are age, gender and ethnicity, followed by educational background and marital status.

- There are interesting regional differences. In Asia-Pacific, languages spoken is also part of the data collection process, while in Europe and North America, age remains the primary data collected.



ANREV: “I hope this Survey report is of practical use to our membership and those of our partner Associations. It shows that, within a merit and performance-based employment and retention framework, growing attention is being paid to equal opportunities and suitable rewards for all in the industry, as well as highlighting cultural and regulatory differences. It has been a pleasure working with our partners on this global exercise,” said Jeremy Stewardson, Chief Executive of ANREV (the Asian Association for Investors in Non-Listed Real Estate Vehicles): <https://www.anrev.org/en/>

FERGUSON PARTNERS: “Diversity, equity, and inclusion is one of the most important human capital priorities in the commercial real estate space today. The broad participation in this survey from companies around the globe clearly demonstrates the appetite for actionable insights, information on best practices, and access to industry demographic data. Ferguson Partners could not be more proud to be a part of this important initiative.” said Erin Green, Managing Director of Ferguson Partners: <https://www.fergusonpartners.com>

INREV: “The results from the Global Real Estate DEI Survey are welcome evidence of progress across the whole of the industry. However, they also paint a patchy picture of attainment and Europe has some catching up to do – specifically in terms of gender balance. The good news is that, in keeping with the overall sentiment from the survey, the vast majority of INREV’s members see DEI as a strategic priority. They will also no doubt be very willing to adopt examples of best practice from their peers in other regions, so we should absolutely expect to see continued improvements. This survey is a very valuable benchmark that will really help the entire global real estate industry to focus on becoming as inclusive and diverse as possible,” commented Lonneke Löwik, CEO of INREV (the European Association for Investors in Non-Listed Real Estate): <https://www.inrev.org/>

NAREIM: “The coming together of seven industry associations around the Global Real Estate DEI Survey is a testament to the prioritization of DEI across the whole of the commercial real estate industry. This Survey is invaluable for CRE firms to understand and benchmark themselves against peers, but it is also about the sharing of ideas and the collaborative and inclusive spirit that is at the heart of DEI. As the Survey shows, there is no one size fits all approach to DEI. Only by working together and sharing ideas with one another, will we learn the DEI policies and practices that are impactful to our firms and industry. We are truly excited about this Survey and the impact it will have in the future and look forward to working with our partners for years to come,” said Zoe Hughes, CEO of NAREIM (the National Association of Real Estate Investment Managers): <https://www.nareim.org/>

NCREIF: “The results of the survey offer tremendous insight into what is taking place within DEI initiatives throughout commercial real estate. The collaboration of the associations has advanced the Survey to a global level that will serve as great resource as the industry continues to advance DEI going forward. We look forward to continuing to participate for years to come,” commented Dan Dierking, President of NCREIF (the National Council of Real Estate Investment Fiduciaries): <https://www.ncreif.org/>



PREA: “The results of the Global Real Estate DEI Survey show an increasing importance on DEI initiatives in the real estate investment industry. While 92% of commercial real estate firms report that they have adopted or are adopting DEI programs, there remains much to be done in order for those programs to translate into measurable results. The Survey results provide an important baseline for firms to track their progress and compare their DEI efforts to others based on specific metrics. The results also begin the development of industry-wide employment and accountability best practices which will help firms address and implement their DEI priorities,” said Gail Haynes, President of PREA (the Pension Real Estate Association): <https://www.prea.org/>

REALPAC: “The scale of engagement among our members, partners and stakeholders in this Survey very clearly demonstrates the strategic importance of equity, diversity and inclusion in our industry, and the urgency of removing barriers to equitable opportunities. We at REALPAC are committed to building on this momentum – through intentional action, we can celebrate diverse perspectives, significantly enhance our businesses, and support economic prosperity,” said Michael Brooks, CEO of REALPAC (the Canadian Real Property Association): <https://www.realpac.ca/>

ULI: “This year’s global survey results confirm that organizational DEI practice is critically important to firms across the real estate industry, and that measuring progress is essential to making progress,” said Ed Walter, Global CEO of the Urban Land Institute. “As ULI continues to pursue unrelenting efforts to shape the built environment toward diverse, equitable, inclusive communities, we look forward to seeing accelerated action from the industry on corporate DEI practice, with this benchmark as a catalyst and window of insight into that process,” said Ed Walter, Global CEO of the Urban Land Institute. <https://uli.org/>

About the Survey

First created in 2017 and launched as a dedicated survey in 2020, the Global Real Estate DEI Survey in 2021 has expanded to provide employee demographic and enterprise practices relating to diversity, equity and inclusion for Asia, Europe and North America. It also tracks, for the first time, different types of commercial real estate firms to provide insights into DEI practices for the CRE industry.

Over the coming years, the expansion in reporting will allow all commercial real estate businesses to benchmark their own internal DEI policies not only against peers in their CRE sector, but also that of partners and vendors across the CRE ecosystem.

The Global Real Estate DEI Survey collects data on:

- *DEI program structure, resources and ownership*
- *Policies focused on recruitment, retention, training and development, inclusivity, tracking and accountability and pay equity*
- *Employee demographics by gender, race/ethnicity and nationality, across seniority and job function, as well as DEI hiring, promotion and departure trends year-over-year.*

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