

Deloitte.

Closing the talent gap in the real estate industry

Strategies to attract and engage Generation Y



Audit . Tax . Consulting . Financial Advisory .

Introduction

Saddled by soaring turnover rates, an aging workforce, and a growing industry that is becoming more global in scope, talent management remains a key issue among real estate companies. In a survey of the industry conducted by RHR International, a human resources consultant, half of the participating companies reported that they expect to lose 50 percent or more of their senior management by 2010 while 15 percent of companies plan to lose in excess of 75 percent¹. The coming talent crisis that loomed in industry publications for the last several years is fast becoming a reality. The solution to the real estate industry's shallow talent pool may reside in Generation Y; the 46.7 million people born between 1982 and 1993² comprise the largest generation since the Baby Boomers to enter the workforce. If companies are to keep pace with industry growth in the years to come, they should adjust their practices to effectively attract and retain this new generation of human capital.

The Talent Conundrum

Personnel shortages are a longstanding concern in the real estate industry. High turnover rates and demographic shifts are some of the more salient contributors to a talent crisis that is becoming more desperate as the industry grows in size and sophistication.

Industry Turnover Rates

Excessive employee attrition severely impacts productivity across the U.S. real estate industry. Rental and leasing companies, for example, suffer a 35.9 percent annual turnover rate.³ The 20 percent employee turnover rate among real estate investment trusts (REITs)⁴ hinders this part of the real estate business as it becomes increasingly complex, especially in the financial arena where securitized mortgage products, coupled with changes to the tax code, limit the talent pool to professionals with advanced financial expertise. Similarly, property management companies, with an annual turnover rate of 31.8 percent,⁵ struggle to attract and retain personnel in an increasingly sophisticated workplace. With real estate continuing to sell at record prices, property managers are under growing pressure to boost property values.⁶ However, they lack the personnel necessary to manage the physical properties and simultaneously oversee their asset management duties, which now include budgeting, financial forecasting and market analysis.⁷ Historically, real estate property managers could manage several facets of the business at once, but

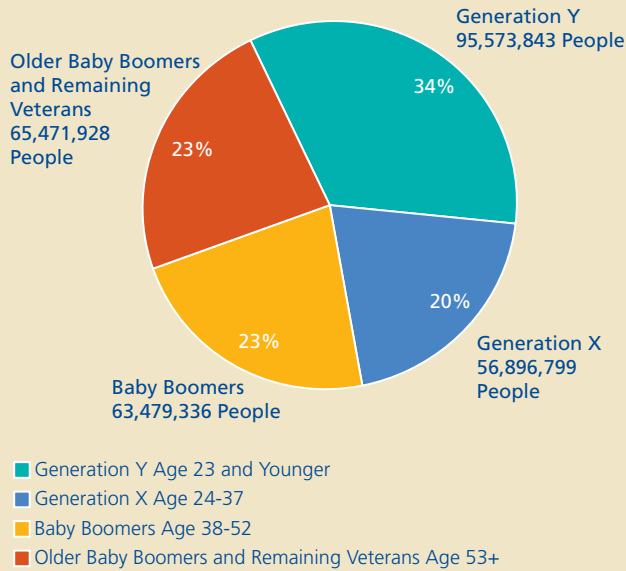
the advent of more advanced practices is resulting in greater levels of specialization. The two-year time investment now required to train new employees in the business⁸ conflicts with the industry's high turnover rates and limits personnel productivity.

Demographic Shifts

According to the Bureau of Labor Statistics, between 2002 and 2012, growth in available workers aged 16 to 44 will lag that of workers aged 45 and older across all industries in the United States. The retirement of the Baby Boomers and remaining Veterans will further aggravate this shortfall. According to the U.S. Census 2000, the real estate workforce contains more than 4 million people. Of these, 2.3 million were born before 1962. This sizable segment of the workforce – nearly 58 percent – will begin to reach the retirement age of 65 by 2010.

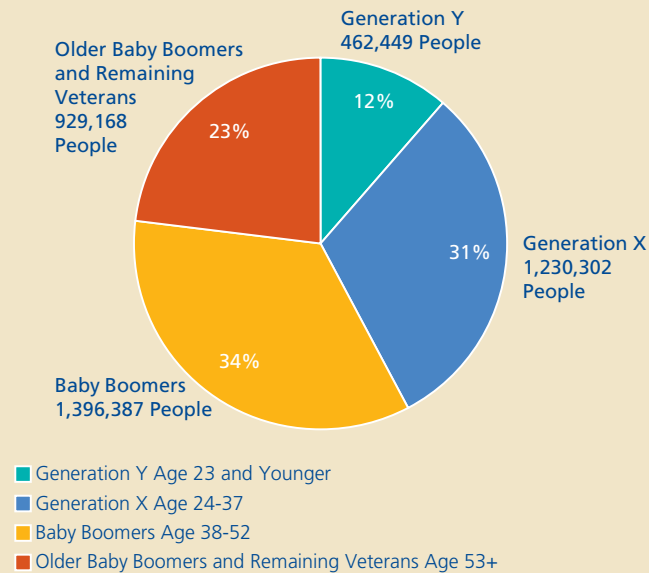
The retirement of the Baby Boomers will have dire long-term effects on the real estate industry's workforce. Initially, the 23 percent in the 53+ age group will reach retirement age by 2012, followed by an additional 1.4 million workers in the 38–52 age group by 2024 (see exhibit 1a)⁹. Companies involved in all aspects of the growing real estate industry could face critical deficiencies as a result. While Generation Y comprises only 12 percent of the real estate workforce, they make up 34 percent of the population and have the sheer numbers necessary to replace the retiring Baby Boomers.

Exhibit 1a: U.S. Population by Age Group



Source: U.S. Census 2000

Exhibit 1b: Real Estate Workforce by Age Group



Source: U.S. Census 2000

Generation X is not prepared to fill the vacuum that the Baby Boomers' departure will leave in the real estate industry. This age group lacks the numbers necessary to replace the outgoing workforce. Additionally, Generation X was slow to respond to the need for real estate personnel because downturns in real estate markets during the early 1990s reinforced the belief that the industry lacks opportunities for professional advancement. The academic world did little to foster Generation X interest in the industry. The few programs that existed while this generation was in school did not turn out sufficient numbers of graduates to address the looming talent gap.

Not only will the en-masse retirement of the Baby Boomers severely diminish the number of available workers, this large demographic group can unwittingly hinder the development of the younger workers who will replace them. Baby Boomers linger in the workplace because of enticing pension and healthcare packages. While their delayed retirement temporarily stems the problem of corporate brain drain, this tendency limits the upward mobility of the incoming generations. An aging workforce that retains the majority of upper-level positions within a company limits the upward mobility that younger generations can expect to acquire while they have the benefit of working with senior employees. As large numbers of Baby Boomers begin to retire over the next five years, the real estate industry will lose more than a large percentage of its labor force. It will lose the experience base and institutional knowledge of their senior personnel.

Further complicating talent management is the fact that remaining Veterans, Baby Boomers, Generation X and now Generation Y occupy the workplace simultaneously. The differing needs and expectations of these various segments of the labor pool create conflicts between personnel that require careful management in order to maintain the environment of intergenerational collaboration that is necessary to achieve sustainable levels of productivity.

Industry Growth Trends

Many predict that the real estate market will continue to grow in the coming years. Commercial property investments grew by 33 percent globally last year to a record-breaking \$645 billion. Europe and Asia spearheaded the trend by increasing their investment volumes by 50 percent and 48 percent respectively¹⁰. Real estate is becoming an investment of choice in the global market. This trend is prevalent in the United States as foreign investors take advantage of the relatively weak dollar and low interest rates¹¹. Simultaneously, U.S. real estate companies are seeking opportunities in European, Asian, and Latin American markets in search of better returns on investments because of rising domestic real estate prices¹². As real estate becomes an increasingly complex and global industry, companies must look to new talent pools to keep pace with industry growth.

Expectations concerning the future of the U.S. residential market, particularly homebuilding, vary widely. Many believe that a bursting housing bubble is imminent because of unsustainable growth trajectories in 2004 and 2005, rising mortgage rates, a record-breaking inventory of unsold homes on the market,¹³ and the increased use of mortgage products other than fixed-rate loans¹⁴.

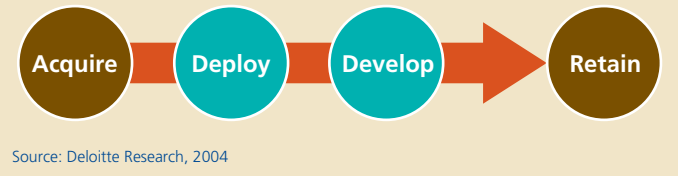
Conversely, other research suggests less-doomsday scenarios, arguing that housing markets are too localized to speculate about nation-wide bubbles. Stabilized job markets and the continued entrance of foreign-born minorities to the housing market are likely to offset the surplus of available houses in the years to come¹⁵. Furthermore, quantitative analysis conducted by Standard & Poor's suggests that concerns over a national housing bubble are unfounded because residential properties growth in value in recent years is not out of line with the wider trajectory and is tame compared with the inflation of other consumer goods¹⁶. Regardless of whether a housing bubble is on the verge of bursting, a continued need for personnel is inevitable in the long term, given the cyclical nature of the industry. While corrections to an inflated housing market may seem imminent, especially in localized, urban pockets, a soft landing is possible, and downswings in the market will surely recover toward sustainable trajectories¹⁷. Therefore, the residential real estate industry must address shortages in the labor pool if it is to accommodate future industry growth.

Targeting Generation Y

If real estate companies are to survive in the coming years, they will need to take significant steps toward acquiring and developing the incoming workforce to accommodate and enable industry growth. Now, more than ever, it is imperative for real estate companies to focus on proactively engaging and developing Generation Y in their workforces. Aside from sheer numbers, this large pool of incoming talent is well-equipped to enter this increasingly global and demanding workplace. Generation Y is already showing a greater tendency to live and work outside the United States than its predecessors¹⁸. The real estate industry is now responding to perceptions that it is not conducive to personal growth or career development by adjusting hiring practices to attract more top talent¹⁹ and implementing improved compensation packages²⁰.

Additionally, the need for real estate professionals is now being addressed in the academic world. At least 15 universities now have graduate programs in real estate. Another 30 offer MBA programs with a real estate concentration²¹ and these programs are growing in numbers and popularity. Undergraduate real estate programs are also enjoying considerable growth. University of Wisconsin's program, for example, doubled in size between 1998 and 1999 and the number of students nearly tripled by 2004²². Universities and organizations continue to address the well-established need for architects and structural engineers by developing programs and contests designed to foster interest in the field²³. All of these initiatives are geared toward preparing Generation Y for the real estate industry.

Exhibit 2: Traditional Talent Management Model



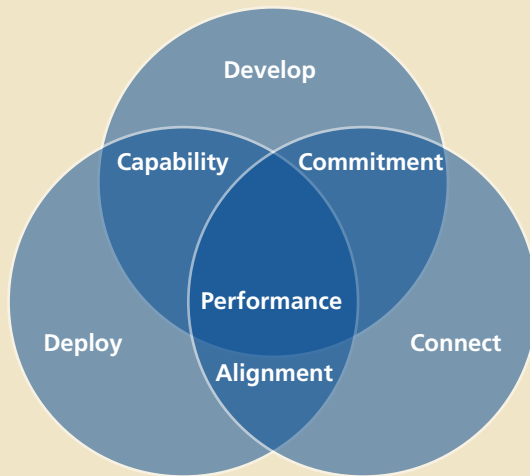
If real estate companies are to survive the coming talent gap left by Baby Boomers, they need to develop new strategies to align themselves with the unique needs and expectations of Generation Y. Traditional talent management strategies (outlined in exhibit 2) are insufficient for the incoming workforce. This linear model, which focuses on the acquisition and retention of talent, is problematic because employers tend to ignore employees once the recruiting process is complete. In the absence of flexible outlets for developing and deploying talent, personnel can become pigeonholed and subsequently disengaged with their work due to the lack of opportunity for professional advancement.

Instead, real estate companies need to adjust their talent management strategies to better suit the needs of the incoming workers. While acquisition and retention are important metrics in talent management, companies must develop practices that add the most value to their employees – the “customers” of this process. This undertaking can be quite challenging. According to a 2004 study by Deloitte Consulting LLP and the Institute of the Future, Generation Y values can be very different from the Veterans, Baby Boomers and Generation Xers that currently occupy the workforce. With an eye toward replenishing their personnel pipelines, real estate companies should consider the following core values and needs of Generation Y:

- Long-term career development and multiple experiences within a single organization
- Sense of purpose and meaning in the work
- Availability and access to mentors and other company champions
- Work/life flexibility
- Tech-savvy work environment
- Social networks that embrace open/honest communication

Companies can leverage these values by building upon Deloitte Consulting LLP's Develop-Deploy-Connect Talent Management framework (see exhibit 3).

Exhibit 3: The Develop-Deploy-Connect Talent Management Model



The **Develop-Deploy-Connect Model** should be at the core of an organization's talent management strategy. By focusing on these three elements, organizations can generate capability, commitment, and alignment in key workforce segments, which in turn, improves business performance and contributes to the attraction and retention of skilled talent.

Develop This refers to the act of providing the real-life learning that employees need to master a job. This concept involves more than traditional classroom or online education. Networks with peers and mentors and "trial-by-fire" experiences that stretch employees' capabilities can act as catalysts in the learning process.

Deploy This involves working with key individuals to (a) identify their deep-rooted skills, interests, and knowledge (b) find an ideal professional role within the organization and (c) craft job designs and conditions that enhance employee performance.

Connect This involves providing critical employees with the tools and guidance they need to build networks that enhance individual and organizational performance and improve the quality of their interactions with others.

Source: Deloitte Research, 2004

Generally speaking, employers can "develop" their workers by providing opportunities to learn through experience, "deploy" them by designing effective organizational roles and environments, and "connect" them by creating seamless networking infrastructures. Many organizations in the real estate industry have implemented versions of these strategies with varying scope and complexity (see exhibit 4), which demonstrates a corporate willingness to address the Generation Y talent management challenge. Still, to help sustain relevance in shifting talent and market contexts, real estate companies need to develop a more complete understanding of their incoming workforce. To that end, company leaders should strive to incorporate the following fundamental workplace elements that underlie Generation Y's core values:

- Flexibility
- Balance
- Respect
- Accessibility

As real estate companies adjust their approaches to talent management, they should rethink their goals, strategies, and policies. Generation Y values, while seemingly different from those of their Veteran, Baby Boomer, and Generation X counterparts, may reflect broader marketplace changes such as technological advancement, focus on social responsibility, flexible sourcing, and global opportunity. Moreover, this shifting business environment will likely influence the demands of the entire workforce. Companies will remain relevant by proactively researching and instituting an infrastructure for ongoing cultural change. The strategies presented in exhibit 4 offer a starting point for understanding and meeting Generation Y's unique set of professional core values and expectations and ways that companies can effectively develop, deploy, and connect these new entrants.

Exhibit 4: Develop-Deploy-Connect Talent Management Framework

Core Generation Y Values	Applying the Develop-Deploy-Connect Model	Representative Strategies in the Real Estate Industry
Long-term career development and multiple experiences within a single organization	<ul style="list-style-type: none"> • Enable Generation Y entrants to experiment and take risks as they figure out their niche within the organization. Help clarify their vision of which skills will serve them well in the future (Develop) • Create opportunities for Generation Y employees to work on international assignments (Deploy) • Enable Generation Y to foster the networks they need to succeed and guide them in the cultivation of healthy, productive relationships within those networks (Connect) 	Rodamco Europe NV, a multinational real estate company, developed an annual performance review that identifies strengths and weaknesses in their personnel and uses these reviews to develop long-term career paths that fit employee interest and aptitude ²⁴ .
Sense of purpose and meaning in the work	<ul style="list-style-type: none"> • Provide employees with the infrastructure to determine what motivates them (Develop) • Align organizational roles with employee interests (Deploy) • Create feedback mechanisms that link employee contributions to larger organizational goals (Connect) 	Los Angeles-based CB Richard Ellis places hired grads into a two-year “wheel” internship program that enables them to work in four different offices and specialties in the first year before placing them with a specific team for the second year ²⁵ .
Availability and access to mentors and other company champions	<p>Create comprehensive mentoring programs that allow Generation Y entrants to:</p> <ul style="list-style-type: none"> • Develop technical and interpersonal capabilities (Develop) • Become aware of their professional strengths and new opportunities within the organization (Deploy) • Foster commitment to the organization and their roles within it (Connect) 	Integra Realty Resources is beginning to stem corporate brain drain by hiring two veteran workers whose primary duty is to mentor young employees in an attempt to bridge the experience gap of the under-40 generation ²⁶ .
Work/life flexibility	<ul style="list-style-type: none"> • Develop flexible, balanced learning programs that stretch employee capabilities (Develop) • Create mechanisms to align organizational roles with employee expectations (Deploy) • Facilitate flexible work arrangements that accommodate employees’ personal circumstances and working styles (Connect) 	Ann Arbor, Michigan-based McKinley Real Estate Company enables work/life balance through manageable work hours and creative scheduling options ²⁷ .
Tech-savvy work environment	<ul style="list-style-type: none"> • Leverage Generation Y’s heightened technological capacity by: • Providing learning through computer-based tools and online interaction (Develop) • Utilizing online recruiting tools (Deploy) • Leveraging electronic-interaction technologies that facilitate instantaneous, flexible communication (Connect) 	Toll Brothers, a residential real estate company, developed an extensive website designed to recruit incoming talent ²⁸ .
Social networks that embrace open/honest communication	<ul style="list-style-type: none"> • Create social infrastructures that enable employees to develop strategic and intentional networks. Such structures should allow Generation Y to: • Learn about their organizational roles and responsibilities (Develop) • Learn about new career and project opportunities (Deploy) • Foster relationships to enable their success (Connect) 	Equity Office Properties Trust (now part of The Blackstone Group) uses networks to help employees develop long-term career goals and establish a niche within the organization ²⁹ .

Communicating to Generation Y

The mere establishment of practices that cater to the incoming workforce will, in and of itself, fall short in addressing the coming talent gap. Therefore, real estate companies must foster a positive image of their industry and establish reputations based on their alignment with the core values of Generation Y. The branding process extends beyond traditional advertising. This concept also encompasses employers' abilities to communicate, through their actions and offerings, a commitment to develop, deploy, and connect their workforce.

Industry Identity

Historically, the real estate industry had to fight perceptions that some of its career paths offered limited wealth-creating opportunities—despite the fact that it was built on the blocks of entrepreneurship—and that certain parts of the industry did not welcome creativity, innovation, or new ideas³⁰. Previous generations placed careers in real estate on a second tier in the business world, behind more prestigious or lucrative options such as consulting and finance³¹. However, the prevalence of these negative perceptions is dissipating among the incoming workforce, in part because of initiatives to address potential entrants to the workforce while they are still in school and actively deliberating about career options. For example, Toll Brothers created an extensive network with top U.S. academic real estate programs and sends delegates to recruit on college campuses³².

Similar to other industries, the development of relationships with relevant graduate programs can enhance brand awareness among a company's potential workforce. Avenues for such networks already exist. Schools like University of Pennsylvania, University of Florida, and New York University have well-established career fairs,³³ recruiting tools, websites,³⁴ and other resources to connect employers with their incoming workforce. Such measures enhance branding by familiarizing entrants to the workforce with company names and present an image of an organization that is actively seeking out Generation Y.

Additionally, as real estate companies become more global in scope, they should communicate these efforts to their incoming personnel and create opportunities for Generation Y to gain experience in the global marketplace. U.S. firms can learn from the example set by real estate companies around the world. For example, Imoinvest International, a leading investment property agency, already creates attractive options for incoming workers who value multiple opportunities within a single organization by providing opportunities to work abroad³⁵. Presenting a more global image of the real estate industry can attract talent with the interest and skills to support global business strategies.

Employer Branding

Real estate companies can take steps to differentiate themselves from their competition by developing a reputation based on perceptions and practices pertaining to the expertise they offer, the way they run their business, and how they compare to their competition. Pulte Homes, a residential real estate company, created a webpage³⁶ devoted to recent college graduates that emphasizes their tendency to hire personnel with degrees in fields outside the scope of conventional real estate backgrounds. Entrants to the workforce with degrees in communications, liberal arts, and microbiology can, as a result, find a meaningful niche in a real estate company – one that ultimately empowers them with a greater sense of purpose in their work.

Real estate companies can enhance their operational style by establishing an infrastructure for collaboration on large-scale projects; creating development plans and rotational programs like the one at CB Richard Ellis, which enables long-term career development and multiple experiences within an organization; and enabling flexible work and benefit structures that promote the work/life balance valued by Generation Y.

Finally, Real estate companies should work to differentiate themselves – as employers – from their competition. Atlanta-based Wells Real Estate Funds, Inc., for example, established itself among the 10 Best Companies for Employee Financial Security. By implementing holistic approaches that cater to the financial needs of its employees,³⁷ the company distinguishes itself as an “employer of choice” in the eyes of its potential employees. Positioning, however, cannot stop at employee compensation. Companies must work to distinguish their corporate style and expertise in a manner that develops, deploys, and connects their workforce. Furthermore, identifying and communicating the things that separate a Real estate company from its competition promotes the sense of purpose at the core of Generation Y's workplace values.

Conclusion

Given the well-established workforce shortages and growth across the industry, real estate companies have compelling reasons to align their operational, recruiting, and talent management practices with the core values of the incoming generation. The Develop-Deploy-Connect model will enable companies to address Generation Y's need for flexibility, balance, respect, and accessibility and, by extension, enhance the value of their workforce. While the strategies in this study do not constitute a comprehensive list of requirements necessary for filling a widening talent gap, they provide starting points that will enable productive relationships with the incoming workforce and provide the impetus for ideas that can proactively address the looming talent challenge in the real estate industry.

End Notes

- ¹ "Transforming Real Estate Management: Four Strategic Issues." Institute of Real Estate Management, accessed April 17, 2007. <<http://www.irem.org/pdfs/iremfirst/irem4issues.pdf>>.
- ² "Live Births and Birth Rates, by Year" Infoplease, accessed April 2, 2007. <<http://www.infoplease.com/ipa/A0005067.html>>.
- ³ Nobscot Corporation. "US Monthly Employee Total Separation Rates by Industry and by Geographic Region Through Aug/04." U.S. Department of Labor, accessed December 15, 2006. <http://www.nobscot.com/survey/us_monthly_separations_0804.cfm>.
- ⁴ Deidra Darsa. "The Hunt is on..." NAREIT Real Estate Portfolio, accessed December 21, 2006. <http://www.nareit.com/portfoliomag/sepoct00/feat_hunt.shtml>.
- ⁵ "What keeps managers awake at night? Workforce development; Property Management" Real Estate Weekly, accessed September 13, 2006. <<http://www.knowledgeplex.org/news/206111.html>>.
- ⁶ Beth Mattson-Teig. "Help Wanted: A Few Good Property Managers." National Real Estate Investor, accessed December 21, 2006. <http://nreionline.com/mag/real_estate_help_wanted_few/>.
- ⁷ Ibid
- ⁸ Ieva M. Augstums. "Some firms value seniors' wisdom: Veteran hires can outshine younger staffers." Dallas Morning News. September 18, 2006.
- ⁹ Figures come from U.S. Census 2000
- ¹⁰ "Global Commercial Real Estate Investment Market Hits \$645 Billion." Cushman & Wakefield. January 22, 2007.
- ¹¹ "Real Estate Global Industry Profile." Datamonitor 2006.
- ¹² Robert McMillan, Royal Shepard, Jason Wiley, and Joe Niedzielski. "Industry Surveys: Real Estate Investment Trusts." Standard & Poor's. February 15, 2007.
- ¹³ Tom Stevens. "The Housing Bubble and its Implications for the Economy" National Association of Realtors, accessed February 1, 2007. <http://banking.senate.gov/_files/seiders.pdf>.
- ¹⁴ "The State of the Nation's Housing 2006." Joint Center for Housing Studies of Harvard University, accessed March 6, 2007. <<http://www.jchs.harvard.edu/publications/markets/son2006/son2006.pdf>>.
- ¹⁵ Ibid
- ¹⁶ William Mack. "Industry Surveys: Homebuilding." Standard and Poor's. July 6, 2006.
- ¹⁷ David F. Seiders. "The Housing Bubble and its Implications for the Economy" National Association of Home Builders, accessed February 3, 2007. <http://banking.senate.gov/_files/seiders.pdf>.
- ¹⁸ Edie Weiner, and Arnold Brown. "FutureThink." Prentice Hall. 2005.
- ¹⁹ Christopher Lee. "Strategic Advantage: Straight Talk for Real Estate Owners and Executives." CEL & Associates, accessed January 3, 2007. <<http://www.celassociates.com/..%5Cnewsletters%5Ck13801.pdf>>.
- ⁰ Christopher Lee. "Customized Compensation Packages: Key to Winning the Talent War." Journal of Property Management 66:6. September 2001.
- ²¹ Christine Perez. "Perfect Timing for Class of '06." National Real Estate Investor. accessed January 3, 2007. <http://nreionline.com/mag/real_estate_perfect_timing_class/>.
- ²² Lynn Cherney. "Is Your Company in Search of Entrepreneurial Talent?." National Real Estate Investor, accessed December 21, 2006. <http://nreionline.com/mag/real_estate_company_search_entrepreneurial/>.
- ²³ David B. Rosenbaum. "Concern about Talent Shortage Leads Industry into Classrooms Mentors teach skills and reveal the wonders of construction." Engineering News-Record. 245:17. McGraw Hill, Inc. October 30, 2000.
- ²⁴ "The CEO's Role in Talent Management: How top executives from ten countries are nurturing the leaders of tomorrow." Economist Intelligence Unit, accessed April 2, 2007. <http://www.sap.com/industries/insurance/pdf/BWP_CEO's_Role_in_Talent_Management.pdf>.
- ²⁵ Steve McLinden. "Masters in Training" National Real Estate Investor, accessed March 6, 2007. <<http://www.usc.edu/schools/sppd/lusk/news/item.php?id=459&type=news>>.
- ²⁶ Ieva M. Augstums. "Some firms value seniors' wisdom: Veteran hires can outshine younger staffers." Dallas Morning News. September 18, 2006.
- ²⁷ "A Better Choice for Sales Professionals" McKinley Properties, accessed April 2, 2007. http://www.mckinley.com/mckinley/careers/careers/appendix_9.html.
- ²⁸ Toll Brothers Career Center, accessed April 2, 2007. <http://www.tollcareercenter.com/index.shtml>.
- ²⁹ Deidra Darsa. "The Hunt is on..." NAREIT Real Estate Portfolio, accessed December 21, 2006. <http://www.nareit.com/portfoliomag/sepoct00/feat_hunt.shtml>.
- ³⁰ Christopher Lee. "Customized Compensation Packages: Key to Winning the Talent War." Journal of Property Management 66:6. September 2001.
- ³¹ Ronald J. Alsop. "At B-School, Real Estate is the New Dot-Com," College Journal from The Wall Street Journal, accessed December 15, 2006. <<http://www.collegejournal.com/mbacenter/mbatrack/20050712-alsop.html>>.
- ³² Toll Brothers Career Center, accessed April 2, 2007 <<http://www.tollcareercenter.com/collegerecruiting.shtml>>.
- ³³ Ibid
- ³⁴ "Recruiting UW-Madison Real Estate Students." Center for Real Estate, accessed April 2, 2007. <http://www.bus.wisc.edu/wcre/recruit.asp>
- ³⁵ "Become an IMOINVEST Agent." IMOINVEST International, accessed April 2, 2007. <<http://www.imoinvest.com/?id=18>>.
- ³⁶ "Career Page." Pulte Homes, accessed April 2, 2007. <<http://careers.pulte.com/college.asp>>.
- ³⁷ "Wells going the extra mile to help employees" Real Estate Weekly, 53:12 November 2006.

Recent Thought Leadership

- **Real Estate Investing in India: Why Now?** Deloitte's new publication *Real Estate Investing in India: Why Now?* discusses the opportunities, potential risks and other insights regarding investment in Indian real estate.
- **Washington Policy Changes Likely to Affect Real Estate Sector in FY07.** In this interview, Fred Witt, the National Director of Real Estate Tax Services for Deloitte Tax LLP, offers a glimpse into the issues likely to affect the Real Estate industry in FY07.
- **Private Equity Investments: Behind the Curtain.** This report describes what mid-sized private companies need to know about what drives private equity investments.
- **Real Estate Private Equity Funds: Five Keys to Success.** This booklet sets forth the five keys to success, and how the member firms of Deloitte Touche Tohmatsu can support private equity fund clients in achieving their goals.

Deloitte's Commitment to Talent and Generational Issues

Deloitte recognizes that talent and generational issues are some of the most critical challenges facing companies, governments, and communities today. As a leading business and financial advisor, thought leader, and employer of choice, Deloitte is committed to finding creative solutions and investing in ongoing research, as illustrated by our sponsorship of general business and industry-specific studies, surveys, white papers, articles, Webcasts, and executive communications.

For More Information

To learn more about our practice, visit us online at www.deloitte.com/us/RealEstate. Here you can access our complimentary Dbriefs webcast series, Deloitte Insights podcast program, innovative and practical industry research, and much more information about the issues facing real estate from some of the industry's most experienced minds.

Contacts

National Industry Contacts

Dorothy Alpert

Deloitte & Touche USA LLP
Vice Chairman
U.S. Real Estate Leader
Tel: +1 212 492 3686
dalpert@deloitte.com

Doug McEachern

Deloitte & Touche LLP
Real Estate Audit and Enterprise Risk
Tel: +1 213 688 3361
dmceachern@deloitte.com

Kenny Smith

Deloitte Consulting LLP
Real Estate Consulting
Tel: +1 415 783 6148
kesmith@deloitte.com

Larry Varellas

Deloitte Tax LLP
Real Estate Tax
Tel: +1 415 783 6637
lvarellas@deloitte.com

Mathew Kimmel

Deloitte Financial Advisory Services LLP
Real Estate Financial Advisory
Tel: +1 312 486 3327
mkimmel@deloitte.com

Author

Ryan Alvanos

Deloitte Services LP
Deloitte Research
Tel: +1 617 437 3009
ralvanos@deloitte.com

Contributors

Dorothy Alpert

Deloitte & Touche USA LLP
Vice Chairman
U.S. Real Estate Leader
Tel: +1 212 492 3686
dalpert@deloitte.com

Vikram Mahidhar

Deloitte Services LP
Deloitte Research
Tel: + 203 761 3000
vmahidhar@deloitte.com

Acknowledgments

Deloitte Research is grateful for the contributions, comments, and suggestions received for the global finance transformation research around this study from Robin Athey, Deloitte Research, Deloitte Services LP (United States); Gary Coleman, Deloitte Consulting LLP (United States); Renato de Sazoza, Deloitte Touche Tohmatsu (Brazil); Kevin Gromley, Deloitte Consulting (Shanghai) Co. Ltd. (China); Ajit Kambil, Deloitte Research, Deloitte Services LP (United States); Kumar Kandaswami, Deloitte Touche Tohmatsu India Private Limited (India); Dick Kleinert, Deloitte Consulting LLP (United States); Vikram Mahidhar, Deloitte Research, Deloitte Services LP (United States); Jennifer McHugh, Deloitte Services LP (United States); Allyson McKenney, Deloitte Services LP (United States); Vicente Picarelli Filho, Deloitte Touche Tohmatsu (Brazil); Satish Raghavendran, Deloitte Research, Deloitte Services LP (India); Leah Reynolds, Deloitte Consulting LLP (United States); Rekha Sampath, Deloitte Services LP (United States); and Hugo Walkinshaw, Deloitte Consulting (Singapore).

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu, a Swiss Verein, its member firms, and their respective subsidiaries and affiliates. Deloitte Touche Tohmatsu is an organization of member firms around the world devoted to excellence in providing professional services and advice, focused on client service through a global strategy executed locally in nearly 140 countries. With access to the deep intellectual capital of approximately 150,000 people worldwide, Deloitte delivers services in four professional areas — audit, tax, consulting, and financial advisory services — and serves more than 80 percent of the world's largest companies, as well as large national enterprises, public institutions, locally important clients, and successful, fast-growing global companies. Services are not provided by the Deloitte Touche Tohmatsu Verein, and, for regulatory and other reasons, certain member firms do not provide services in all four professional areas.

As a Swiss Verein (association), neither Deloitte Touche Tohmatsu nor any of its member firms has any liability for each other's acts or omissions. Each of the member firms is a separate and independent legal entity operating under the names "Deloitte," "Deloitte & Touche," "Deloitte Touche Tohmatsu," or other related names.

In the United States, Deloitte & Touche USA LLP is the U.S. member firm of Deloitte Touche Tohmatsu and services are provided by the subsidiaries of Deloitte & Touche USA LLP (Deloitte & Touche LLP, Deloitte Consulting LLP, Deloitte Financial Advisory Services LLP, Deloitte Tax LLP, and their subsidiaries), and not by Deloitte & Touche USA LLP. The subsidiaries of the U.S. member firm are among the nation's leading professional services firms, providing audit, tax, consulting, and financial advisory services through nearly 40,000 people in more than 90 cities. Known as employers of choice for innovative human resources programs, they are dedicated to helping their clients and their people excel. For more information, please visit the U.S. member firm's Web site at www.deloitte.com