

COMPENSATION DATA REPORT:

ANALYST, ASSOCIATE, VP - REAL ESTATE INVESTMENT BANKING, REAL ESTATE DEBT FINANCING & REAL ESTATE PRIVATE EQUITY

February 2019

1. Introduction

PBR Real Estate is a search firm that specialises in the Real Estate industry. Although we work across the Real Estate industry broadly, we have a strong focus on the buy-side, working with leading private equity firms, hedge funds, pension funds and debt funds that are active in UK and European Real Estate investing.

As Real Estate specialists we have an in-depth knowledge of the market and a very well-developed network of relationships with candidates and clients.

Although Brexit continues to provide uncertainty in the wider UK economy, in terms of hiring activity in the Real Estate industry we have noticed no slow-down; in fact, 2018 was our most active year to date.

However, we have noted a continuing trend of Real Estate private equity firms moving key team members to existing offices in continental Europe and establishing new offices in target European locations, as a direct consequence of the Brexit uncertainty in the UK.

2. Real Estate Investment Banking

| Role | Base Salary | Bonus Level |
|-----------------|--------------------|-------------|
| Analyst 1 - 3 | £50,000 - £72,000 | To 115% |
| Associate 1 - 3 | £80,000 - £125,000 | To 140% |

3. Real Estate Debt Financing (Banks)

| Role | Base Salary | Bonus Level |
|-----------------|--------------------|-------------|
| Analyst 1 - 3 | £45,000 - £70,000 | To 80% |
| Associate 1 - 3 | £65,000 - £110,000 | To 120% |
| VP 1 - 3 | £95,000 - £150,000 | To 165% |

4. Real Estate Private Equity

| Acquisitions | | |
|--------------|---------------------|-------------|
| Role | Base Salary | Bonus Level |
| Analyst | £50,000 - £75,000 | To 175% |
| Associate | £75,000 - £125,000 | To 200% |
| VP | £110,000 - £175,000 | To 275% |

| Asset Management | | |
|------------------|--------------------|-------------|
| Role | Base Salary | Bonus Level |
| Analyst | £40,000 - £70,000 | To 100% |
| Associate | £65,000 - £85,000 | To 130% |
| VP | £90,000 - £150,000 | To 150% |

5. Market Trends by Sector

a. Real Estate Investment Banking:

- Current levels of base salary compensation at Investment Banks (both Real Estate IBD and Real Estate Debt Financing) have remained flat compared to 2018.
- We have observed a decrease in bonus levels by 4.1% compared to the previous year.

b. Real Estate Private Equity:

- Current levels of base salary compensation at Real Estate Private Equity (RE PE) Funds have also remained flat compared to 2018.
- We have observed a decrease in bonus levels by 2.75% compared to the previous year.
- The trend that has been observed over the past 3 years of RE PE Funds offering carried interest or long-term financial incentive at the Associate level has continued this year.
- We continue to see the highest level of hiring activity for candidates with 2 to 3 years' experience:
 - In direct response to the competition in the market to recruit and retain key talent at this level, RE PE Funds are increasingly offering carried interest or long-term financial incentive at a more junior level than was previously typical. From a hiring perspective, this is proving to be an important differentiator.