

# COMPENSATION AND MARKET ANALYSIS REPORT 2021/2022

May 2022

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## Introduction

We are a search firm that is dedicated to recruiting exclusively for the Real Estate industry, with a strong focus on the buy-side. We partner with leading private equity firms, hedge funds, and institutional investors that are active in UK and European Real Estate equity, and debt investing.

As well established Real Estate investment specialists we have an in-depth knowledge of the market and a very well-developed network of relationships with candidates and clients, to whom we are trusted advisors.

Following the significant downturn in 2020 caused by the pandemic, hiring activity in 2021 was very strong, resulting in our most successful year to date.

The data used in our 2021 compensation report is taken from London-based Real Estate acquisitions, asset management and investment banking professionals.

# Private Equity Acquisitions

	Base Salary Range		Bonus			
	Min	Max	Normal Range		Average	
Analyst	£55,000	£100,000	50%	<b>90%</b>	130%	190%
Associate	£80,000	£170,000	50%	<b>100%</b>	150%	225%
Vice President	£100,000	£180,000	100%	<b>125%</b>	150%	225%
Director / Principal	£145,000	£200,000	100%	<b>125%</b>	150%	230%
Managing Director	£150,000	£350,000	120%	<b>160%</b>	200%	250%

**Market Insight:**

- Reacting to the significant pay rises given to investment banking juniors in 2021, many of the leading Real Estate private equity funds also increased base salary compensation considerably for their Analysts and Associates.
- These significant increases have not been mirrored at Vice President level and above, where smaller rises were more common.
- Bonus levels were higher in 2021, particularly at the Max end of the range as firms sought to retain their top Acquisitions talent in an increasingly competitive hiring market.
- Carried interest / long term incentive remains an integral part of mid-senior level compensation packages, and is becoming more common at a junior level. We recorded thirteen Real Estate private equity funds that include carried interest as part of compensation given to Associates, up from seven in 2020.

# Private Equity Asset Management

	Base Salary Range		Bonus			
	Min	Max	Normal Range			Max
			Average			
Analyst	£45,000	£80,000	40%	<b>60%</b>	80%	120%
Associate	£70,000	£120,000	40%	<b>70%</b>	100%	140%
Vice President	£95,000	£130,000	60%	<b>100%</b>	140%	160%
Director / Principal	£130,000	£150,000	60%	<b>100%</b>	140%	160%
Managing Director	£150,000	£260,000	90%	<b>135%</b>	180%	200%

### Market Insight:

- Base salary compensation for Asset Management professionals rose significantly at the Analyst and Associate levels at some but not all private equity funds in 2021, giving a greater breadth to the salary range than last year. Base salaries remain lower than in Acquisitions.
- At Vice President level and above, base salary compensation rose slightly in most cases.
- Bonus levels within Asset Management remained flat compared to 2020.
- Carried interest / long term incentive remains a key part of mid-senior level compensation packages, but is rarely offered at a more junior level. We recorded four REPE funds that offer carried interest to their Asset Management Associates.
- There is a strong demand for Asset Management professionals that have strategic experience, especially in operational / alternative asset classes.

# Institutional Investors Acquisitions

	Base Salary Range		Bonus			
	Min	Max	Normal Range		Average	
Analyst	£50,000	£70,000	10%	<b>35%</b>	60%	70%
Associate	£63,000	£110,000	15%	<b>37.5%</b>	60%	100%
Vice President	£80,000	£125,000	25%	<b>57.5%</b>	90%	100%
Director / Principal	£95,000	£150,000	50%	<b>75%</b>	100%	130%
Managing Director	£150,000	£280,000	50%	<b>85%</b>	120%	150%

**Market Insight:**

- Base salary compensation for Acquisitions professionals working for institutional investors increased slightly at most levels in 2021.
- Bonus compensation remained flat across all levels of seniority.
- We noted an increasing number of candidates that were interested in moving from private equity to an institutional investor, with a better work / life balance the primary motivation.

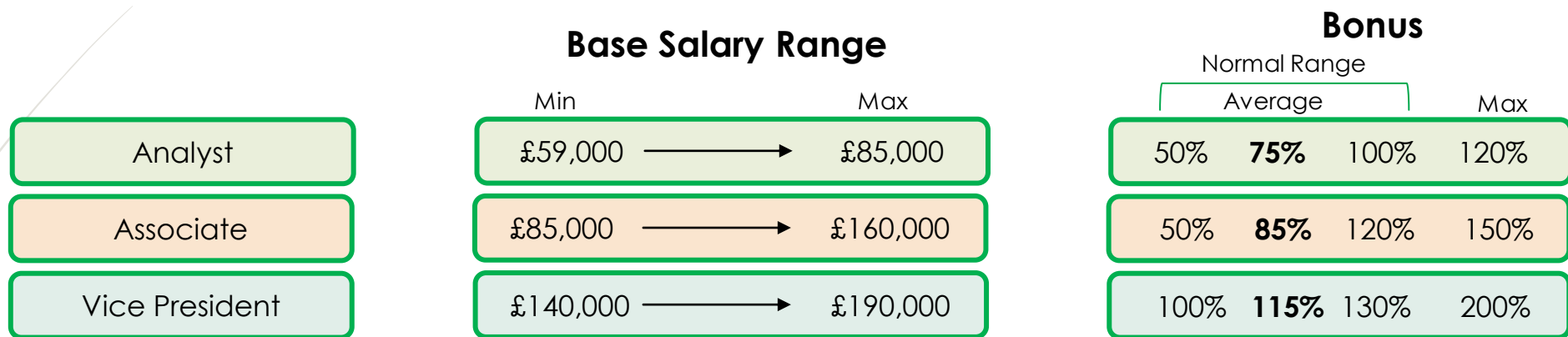
# Institutional Investors Asset Management

	Base Salary Range		Bonus				
	Min	Max	Normal Range		Average		Max
Analyst	£45,000	£70,000	10%	<b>25%</b>	40%	50%	
Associate	£60,000	£90,000	20%	<b>35%</b>	50%	60%	
Vice President	£80,000	£115,000	30%	<b>45%</b>	60%	75%	
Director / Principal	£90,000	£140,000	50%	<b>65%</b>	80%	90%	
Managing Director	£150,000	£200,000	50%	<b>75%</b>	100%	130%	

**Market Insight:**

- Base salary compensation for Asset Management professionals working for institutional investors increased slightly at most levels in 2021.
- Bonus compensation remained flat across most levels of seniority.
- There continues to be a strong demand for Asset Management professionals with experience in expanding sectors such as logistics.

# Investment Banking



### Market Insight:

- ▶ The significant base salary pay increases given to investment banking Analysts and Associates made the news in 2021, with working conditions for juniors increasingly in the spotlight.
- ▶ Bonuses were also up in 2021, especially for top-ranked Analysts and Associates, as investment banks sought to make it harder financially for their best juniors to move to the buy-side.

# People Moves

- **Chiara Cassiano** joined Starwood Capital as an Analyst in their European Acquisitions team. She was previously an Analyst at Morgan Stanley in their EMEA Real Estate Investment Banking team.
- **Javier de Castro** was appointed as Acquisitions Director, Head of Iberia by Harrison Street, joining from Blackstone where he was a Principal in the European Real Estate group.
- **Ben Gearing** was hired by Davidson Kempner as a Senior Investment Professional in their European Real Estate team, joining from Angelo Gordon where he was a Director.
- **Sebastien Gottraux** joined former Starwood Capital senior executive Kevin Colket's new investment firm Global Hospitality Investment Group as an Investment Associate. He was previously an Investment Associate at Tristan Capital.
- **Sara Groppo** joined Starwood Capital as an Associate in their European Acquisitions team. She was previously an Associate in the Real Estate Investment team at HIG Capital.
- **Peter Henderson** was hired by Starwood Capital as an Associate in their Europe & Asia Capital Markets team. He was previously a Vice President at ING in their Real Estate Financing team.
- **Anthony Lui** joined TPG Real Estate as an Associate in their European Real Estate team. He was previously an Associate at Morgan Stanley in their EMEA Real Estate Investment Banking team.
- **Max Mather** was hired by TPG Real Estate as Vice President. He was previously a Principal at Brockton Capital.
- **Sid Natarajan** joined Heitman as a Vice President in their European Acquisitions team from Aprirose, where he was a Vice President.
- **Krysto Nikolic** was appointed Partner and Global Head of Real Estate at Intermediate Capital Group, joining from Starwood Capital where he was Head of Real Estate Europe.
- **Claudia Spreng** joined Thor Equities as an Analyst in their European Acquisitions team, having completed a Master's in Real Estate at Cass Business School, with previous investment banking experience in New York.
- **Robert Wang** was hired by Lapithus Management as an Associate in their Core Plus Asset Management team. He was previously an Associate in the Portfolio Management team at Revantage.
- **Zeyun Yang** joined Starwood Capital as an Associate in their Hotel Asset Management team, joining from the Transactions Modelling team at EY, where she was a Manager.



# Conclusion

What a difference a year makes.

2021 saw Real Estate hiring activity bounce back strongly as confidence returned to the market following the slowdown in 2020. Recruiting processes that were paused during the early phases of the pandemic were restarted, but the increase in activity was driven mainly by the significant amount of capital being raised and invested in European Real Estate strategies.

The considerable increases in compensation at the junior level in Real Estate private equity and investment banking were not generally seen in the packages given to more senior professionals, and it will be interesting to see if this filters upwards in 2022.

Demand for candidates of diversity continued at pace, and this welcome change of the last few years is now the norm rather than a 'nice to have' when hiring.

The first quarter of 2022 continued where 2021 left off, and the signs are that it will be another very active year.

**Disclaimer:** We have obtained the data in this publication from our network of sources whom we believe to be credible. PBR Real Estate accepts no liability or responsibility as to its accuracy.