



Annual Compensation & Market Analysis
Report 2023/2024

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Overview

PBR Real Estate is 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 a wide range of investors including private equity firms, alternative asset managers, hedge funds, specialist real estate investment managers, debt funds, pension funds and sovereign wealth funds based in the UK, Europe and the Middle East.

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.

During the first half of 2023 hiring activity was down on the previous year and continued to remain at this lower, stable level throughout the second half, reflecting the downturn in wider market activity. Real estate leaders were finding political instability and economic uncertainty had now replaced the concerns created by the pandemic. 2023 will be defined by real estate investors prioritising consolidation rather than growth, and a renewed focus on how the sector conducts its business.

On a more positive note, new investment ventures were established by seasoned real estate private equity investment professionals looking to take advantage of what promises to be a very interesting market for opportunistic investors in the next few years, and this provided a welcome boost for hiring activity.

The data used in our 2023 compensation report is taken from London-based real estate acquisitions, asset management, investor relations and investment banking professionals.

Private Equity

Acquisitions

	Base Salary Range		Bonus				
	Min	Max	Normal Range		Average		Max
Analyst	£55,000	£110,000	40%	70%	100%	120%	
Associate	£75,000	£165,000	50%	85%	120%	190%	
Vice President	£120,000	£180,000	80%	115%	150%	200%	
Director	£130,000	£210,000	80%	115%	150%	200%	
Managing Director	£220,000	£350,000	120%	140%	170%	220%	

Despite inflationary pressure, base salaries for Acquisitions professionals within private equity generally remained flat this year, reflecting the challenging real estate market conditions and disappointingly low transaction levels. The one exception to this was at Analyst level, where we recorded a 10% increase on the previous year at both the minimum and maximum ends of the base salary range.

At all levels bonuses were similar or slightly lower than in 2022 although some outliers implemented much greater reductions. This seems to be received not as a surprise but more of acceptance of current market conditions. Those in senior leadership roles continue to receive competitive cash compensation as investors try to lock in their key talent – will there be pressure on bonuses to rise further at the senior level as Carried Interest delivers less?

Hiring levels remained stable, but there was a trend of talent being brought in as replacements rather than for growth.

As in 2022, the prolonged market downturn led to some high-profile private equity firms cutting headcount in their Acquisitions teams.

Private Equity

Asset Management

	Base Salary Range		Bonus			
	Min	Max	Normal Range			Max
			Average			
Analyst	£45,000	£105,000	30%	45%	60%	100%
Associate	£70,000	£140,000	40%	60%	80%	140%
Vice President	£95,000	£145,000	60%	80%	100%	140%
Director	£145,000	£200,000	60%	85%	110%	150%
Managing Director	£170,000	£300,000	50%	80%	100%	120%

Base salaries for Asset Management professionals in private equity rose slightly this year but remain consistently lower than for their counterparts working in Acquisitions. This comes despite the ongoing benefits that experienced and talented asset managers provide as investors push hard to retain asset values.

As with Acquisitions, bonuses in Asset Management were generally flat. However, we did record some examples of higher bonuses than last year being paid at the Max end of the range by large-cap US private equity funds.

Institutional Investors

Acquisitions

	Base Salary Range		Bonus			
	Min	Max	Normal Range		Average	Max
Analyst	£40,000	£75,000	20%	35%	50%	60%
Associate	£70,000	£120,000	20%	40%	60%	70%
Vice President	£85,000	£140,000	40%	50%	60%	80%
Director	£120,000	£170,000	50%	60%	70%	90%
Managing Director	£180,000	£250,000	50%	75%	100%	120%

Base salary compensation for Acquisitions professionals working for institutional investors remained flat at the Analyst and Associate levels but increased slightly at mid to senior levels in 2023. We recorded a small reduction in bonus percentages at all levels of seniority.

The poor market conditions resulted in some institutional investors making redundancies within their Acquisitions teams, although we noted fewer instances than in private equity.

Institutional Investors

Asset Management

	Base Salary Range		Bonus			
	Min	Max	Normal Range		Average	Max
Analyst	£40,000	£75,000	10%	20%	30%	35%
Associate	£60,000	£90,000	15%	25%	35%	50%
Vice President	£90,000	£120,000	30%	45%	60%	75%
Director	£120,000	£165,000	45%	55%	65%	80%
Managing Director	£150,000	£235,000	55%	70%	85%	100%

Asset Management professionals working for institutional investors saw their base salary compensation remain flat or in some cases raised slightly this year across all levels of seniority.

Bonuses were generally flat or lower compared to last year, particularly at the Max end of the range as large institutional investors sought to reduce costs.

Those in more senior and/or leadership positions are seeing compensation levels strengthen although they remain lower than their private equity counterparts.

Investor Relations

	Base Salary Range		Bonus			
	Min	Max	Normal Range			Max
			Average			
Associate	£65,000	£110,000	40%	60%	80%	100%
Vice President	£100,000	£160,000	50%	65%	80%	100%
Director	£120,000	£250,000	70%	95%	120%	150%

Growth within Investor Relations teams has been gradual but significant, as funds navigate the challenging capital raising environment and economic uncertainty of the last few years. With a discerning investor base being more vigilant and selective as they are faced with regulatory changes and an array of investment options, honing and retaining high performers within Investor Relations is invaluable.

Talent is being identified early with resulting compensation levels amongst junior and mid-level (Associate and Vice President) becoming increasingly competitive. At Director level the vast majority will also be rewarded with Carried Interest and are seeing their overall compensation levels rise.

Investment Banking

	Base Salary Range		Bonus			
	Min	Max	Normal Range			Max
			Average			
Analyst	£70,000	£90,000	30%	45%	60%	75%
Associate	£85,000	£140,000	40%	55%	70%	100%
Vice President	£130,000	£190,000	60%	80%	100%	150%

Within Investment Banking base salary compensation generally remained flat in 2023, following two previous years of significant increases. However, things improved for first-year Analysts who can now typically expect starting salaries of £70k – an increase from last year.

Bonuses were reduced (in some cases considerably) across all levels as the downturn in real estate M&A and financing deal activity continued. In some cases, Tier 1 ranked Analysts and Associates received a bonus as low as 50%, which was a significant reduction from last year.

People moves

Adam Tutka joined UK living sector investment manager Thriving Investments as Director, Capital Markets. He was previously at Greystar, where he was a Senior Director.

Aditya Vikram was hired by PRI as their Head of Private Equity, having previously held senior roles at Partners Group and QuadReal.

Amirali Kasraie was appointed Head of Investment Management by Europa Capital. He was previously Senior Fund Manager at Swiss Life and a Director at Patrizia and Rockspring.

Aziza Bachar moved to Investment Corporation of Dubai as Associate Principal in their Real Estate team. She joined from PIMCO where she was Portfolio Manager.

Carlo Ligori joined Oaktree Capital as an Associate in their European Opportunities Funds team. He previously spent 5 years at Goldman Sachs in their European Real Estate Investing team.

David Knightbridge was hired by Henderson Park as Senior Investment Director. He joined from Partners Group where he has been an Investment Leader in their Real Estate team.

Davide Carpi was appointed Senior Vice President, Special Situations by Zenzic Capital, joining from Reuben Brothers.

Dominik Soller joined Palm Capital as Vice President, moving from Deutsche Finance International where he was also Vice President.

Jaime Ortega was recruited by Angelo Gordon as an Analyst in their European Real Estate Investment team. He was previously an Analyst at Incus Capital in Madrid.

James Lambert was hired by Angelo Gordon as an Associate in their Asset Management team, joining from AEW Europe.

Kate Goldense joined Starwood Capital's European Asset Management team, having previously worked at REVCAP as an Associate Partner and Brookfield as a Senior Associate.

Kevin Williamson was appointed Director, Asset Management by Red Sea Global. He joined from Sovereign Housing where he was Strategic Asset Management Director.

Manh Ngo was hired by Apollo's asset management platform Lapithus as a Senior Analyst in their Core Plus Asset Management team. He joined from Mileway where he was a Portfolio Analyst.

Marco Facchinelli was recruited by Starwood Capital as an Analyst in their Southern European Acquisitions team, joining from the European Real Estate team at HIG Capital.

People moves continued

Mike Bradford joined newly formed real estate private equity fund Greykite Investment Adviser as Chief Financial Officer, having previously spent 15 years at Goldman Sachs.

Nam Do (Vice President), Bryan Fong (Associate) and Mingxuan Li (Associate) were also recruited by Greykite Investment Adviser for their Investment team, from Goldman Sachs, Morgan Stanley, and Morgan Stanley, respectively.

Nikita Shetty was appointed Assistant Vice President by Heitman in their European Investment team, joining from ICG where she was an Investment Associate.

Roisin Basquel joined Abu Dhabi Investment Council's Global Special Situations Investing team. She previously spent 7 years at Goldman Sachs in their Real Estate Investing team in London.

Ryan Patel joined Crosstree Real Estate Partners as an Investment Analyst, moving from Citi where he was an Analyst in their EMEA Real Estate Investment Banking Group.

Sasha Silver was hired by Redevco as Head of Global Client Group, having previously spent a number of years at Tristan Capital as Head of Client Development.

Simran Litt was recruited by EQT Exeter in their Capital Raising & Client Relations team. She was previously an Associate at NREP in their Capital Raising & Investor Relations team.

Sonny Degun strengthened Europa Capital's Investor Relations team, joining as a Senior Associate. He was previously an Associate with Patrizia in their Clients Services team.

Stefano Zucca was appointed Chief Operating Officer by Europa Capital. He was previously Chief Financial Officer at Precede Capital Partners and Head of Accounting at Patrizia.

Ursula Liebach joined boutique real estate private equity firm Victory Group as a Vice President in their Investment team, moving from Tristan Capital where she focused on European investments.

Walid Sharif joined Starwood Capital as an Associate in their European Real Estate Asset Management team, having previously worked at Europa Capital as a Senior Associate, Investments.

Summary

Most would agree that 2023 has been a challenging year for real estate. Despite encouraging signs of recovery in the first few months of 2023, the rising cost of debt, high operational costs and a continuing mismatch between buyer and seller price expectations, led to an ongoing decline in investment activity. Persistent inflation and a 15 year high in interest rates took their toll on economic growth. Real estate investment levels fell sharply (slumping in the UK to their lowest level since 2012), with UK transaction volumes totalling £36.7bn, just under one-third below the 10-year average – according to research by Lambert Smith Hampton.

Hiring activity was unsurprisingly flat and did not achieve levels that had been widely anticipated. The first half of 2023 saw a range of hires across the board with particular interest in asset management professionals, and those with sector-specific acquisitions experience with hospitality, living and logistics experience in greatest demand. The second half of the year slowed with many firms preferring to wait until 2024 before making decisions on team growth or changes to leadership. Hiring freezes were relaxed but new hires were made, more often for replacements rather than expansion, leaving headcounts remaining stable.

Despite an historically high level of more than \$110bn of private equity dry powder targeting European real estate (Preqin Jan 2024), 2023 also proved to be a challenging year for fund-raising. This in turn impacted on candidate decisions with significant numbers citing a well-capitalised fund as being at the top of their list of requirements.

The market remains challenging as we navigate 2024 with interest rates remaining high, and deal volumes low. However, Q1 / Q2 has heralded the launch of a number of new start-up investment platforms as seasoned investors equip themselves for the opportunities that are expected in the second half of 2024 and 2025. One forecast suggests that year-end investment volumes for Europe will reach €177bn-€182bn, which would be a considerable rebound in investment volumes – up by 19-22% on the €149bn recorded for 2023 (Savills).

This year, most real estate professionals saw their total cash compensation levels remain flat or lower. However, if investment volumes do rise as predicted, this could pave the way for a more positive outlook for the sector going forward and an upturn in compensation levels.

Hiring activity has picked up noticeably in the last two months and if this trend continues the year should be more positive than just “Survive until 2025”.