

## Buy-Side Hiring Perks Up on Rebound Hopes

Demand for acquisition professionals has started to tick upward again, as investment firms position themselves for an anticipated rebound in sales activity.

After two years of stagnant demand for buy-side expertise amid a broader decline in commercial-property sales, the tide appears to be turning. Recruiters are reporting more search assignments in the last several months from investment firms that see moderating borrowing costs and a generally healthy economy as signs that dealflow will increase.

“We are at a moment when there is a transition happening,” said **Anthony LoPinto**, real estate global sector leader at **Korn Ferry**. Firms “are recruiting investment professionals in anticipation of what they expect to be an emerging recovery. This is the front end of the next cycle.”

To be sure, demand still isn’t overwhelming. It’s also largely limited to the asset classes most in favor with buyers, namely multifamily and industrial, recruiters said.

It started a few months ago largely among private shops and family offices. Smaller firms realize that waiting “means that they will have to compete [for talent] with big institutions,” said **Lisa Flicker**, a senior managing partner and head of real estate at **Jackson Lucas**. Larger firms, she said, are signaling that they plan to start hiring investment pros again later in 2025.

Helping to rekindle the demand: Acquisition-pro recruitment is **easier** and less costly. While property valuations across sectors have increased 4.8% over the past 12 months, they remain 18% below their 2022 peak, according to **Green Street’s** Dec. 5 **Commercial Property Price Index**.

As a result, the values of candidates’ promotes — the equity interests they have in deals at their current employers — also are down. Such interests typically incentivize retention, especially when deal values are high. To lure talent away, firms usually have to offer some level of compensation to cover the funds candidates would lose by leaving their roles.

In a bull market, the sizes of promotes can be massive,

making the most senior pros virtually unmovable. Now, “the pot of gold is not there like it was before,” said **Kent Elliott**, a principal at **RETS Associates**. “There’s more talent out there that is open to making a move in 2025 because the promote that once tied them down at their current firm is more in question now than it has been in previous years.”

For private shops, the new reality has created an opportunity to level up with professionals with institutional experience, said **Chris Papa**, a founding partner at Jackson Lucas. “Acquisitions professionals do more than go and get deals. It’s talking to investors, and they are part of the fundraising process,” he said. “Part of it is trying to attract different investors and more institutional investors.”

The search assignments bubbling up today run the gamut, from senior-level positions running an entire platform to junior pros sourcing deals, noted **Robert Peck**, a managing principal at **20/20 Foresight Executive Talent Solutions**. “We are starting to see demand for both of those prototypes, whereas compared to the trailing 18-month-plus [period], we saw virtually no inquiries,” Peck said.

A pickup in hiring demand is typical in the lead-up to a rebound in sales activity. There was a similar pattern ahead of the recovery from the global financial crisis. But this time around, the investment firms and the candidates they want to hire are scrutinizing one another carefully.

Firms are doing their own due diligence on a candidate’s deal sheet, “to really understand if deals done in 2023 and 2024 were really the right deals to do,” said Elliott of RETS. And candidates want assurances that the new firm is well capitalized and not weighed down by legacy assets.

While hiring usually winds down toward yearend as staffers wait to collect bonus payments, recruiters are anticipating greater demand for investment staffers in the new year. And they expect it to ramp up further as the recovery builds.

“I think we are looking at a good three-year-plus run,” Korn Ferry’s LoPinto said. ❖

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