

Hiring Optimism Smacks Into Tariff Realities

A fresh round of economic uncertainty is roiling expectations for robust hiring activity in the commercial real estate industry this year.

Market pros headed into 2025 optimistic that increasing transaction volume and falling interest rates would generate an uptick in search assignments from firms that buy, develop and manage real estate-related investments.

But a rapidly shifting economic outlook, largely due to President **Donald Trump's** tariff strategy, has heightened investor uncertainty. That has prompted some to hesitate on launching search assignments, namely larger institutional buyers and REITs.

“That put a real damper on the hiring market,” said **Anthony LoPinto**, global sector leader of **Korn Ferry's** real estate practice. “It’s not that firms are saying they are not going to hire, but they are pressing the pause button ... until there is more clarity.”

To be sure, hiring activity hasn’t seized up as it did during the fallout of the global financial crisis. Most employers are moving ahead with searches already in progress, and they still are filling strategic positions. Overall, pros said the volume of search assignments is comparable to — if not slightly higher than — the prior-year period, which was down substantially from the hiring frenzy of 2022.

This year, **Real Estate Alert** tracked a record 66 executive-search firms active in the industry, up 144% since the inaugural survey in 2009.

Pros say it’s difficult to gauge how long the current pause will last. “This is a world where things can turn on a dime,” said **Graham Beatty**, president of **Ferguson Partners**. “If some of this macro uncertainty can dissipate, I think employers are ready to move. Because the window of opportunity they want to take advantage of is finite, they will have to move quickly when the market opens up.”

Some companies already are plowing ahead. “While we have seen some firms pause hiring due to macroeconomic [issues], many of our clients are using this moment in time to strategically hire top talent,” said **Lisa Flicker**, a senior managing

partner at **Jackson Lucas** who heads its real estate practice. “The uncertainty has created a window where savvy employers are able to make key upgrades to their teams.”

Such talent has become somewhat easier to **poach** as promotes — the equity pieces of compensation plans that typically serve as a retention tool — have eroded alongside property values.

Gemma Burgess, co-lead of **Russell Reynolds Associates'** global real estate practice, said many of the assignments moving ahead fit within one of several categories: specialist positions needed to fix and manage portfolios with legacy issues; roles tied to succession planning as more baby boomers retire; and, to a lesser degree, positions that help newer players in the sector build out their teams.

“It definitely feels like every conversation [with firms] has a purpose,” Burgess said. “And regardless of whether it is build-it, fix-it or evolve-it, it is very strategic in nature.”

Recruiters noted that despite the fresh wave of uncertainty, underlying market dynamics remain strong, and unemployment in the sector remains low. That’s largely in line with the overall labor market, which “is at or near maximum employment,” as **Federal Reserve** Chair **Jerome Powell** noted last week.

“I am seeing consistent hiring at a reasonable pace,” said **Kent Elliott**, a principal at **RETS Associates**, adding that he expects “a steady to a slight pickup in activity as the noise lessens,” with any slowdown likely to be far shorter than the yearlong lull that emerged at the start of the pandemic. “I think we are far closer to the end than we are the beginning.”

Indeed, search firms working with owner-operators, family offices and investment shops with high-yield strategies said they have not seen any slowdown in the demand for talent.

“Last year, a lot of the capital sat on the sidelines trying to figure out the election, the economy,” but it’s now eager to get to work, said **Steven Littman**, president and managing partner at **Rhodes Associates**. “Capital is like a river. You can dam it up a little, but eventually it is going to flow.” ❖

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