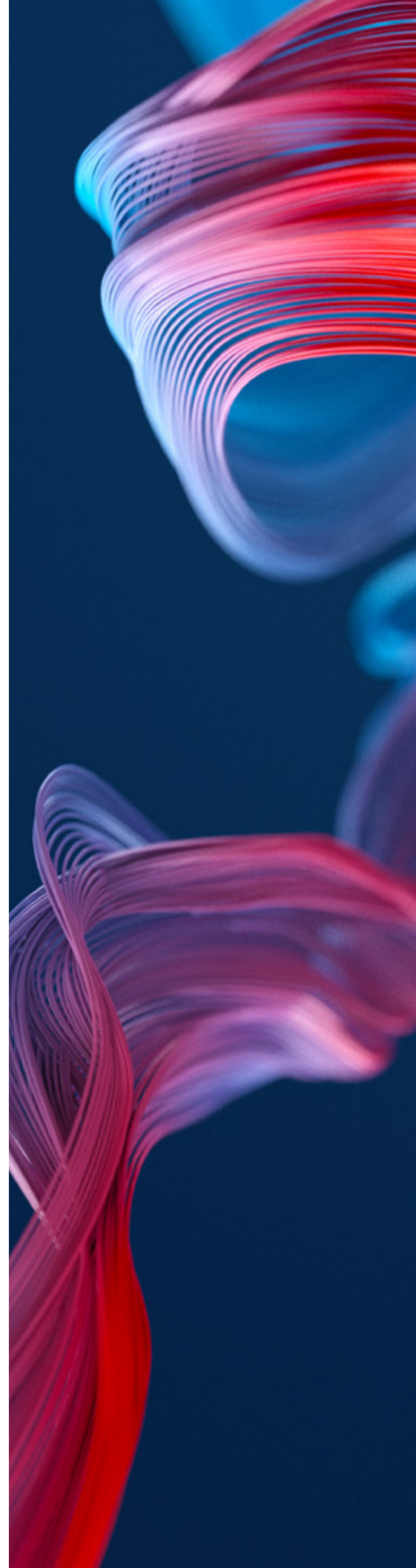


2020 Spencer Stuart Real Estate Sector Snapshot

Real estate company boards in the S&P 500 — a group of 31 companies — tend to be older and longer tenured than S&P 500 boards.

- » The average age of independent directors on real estate boards is 64.4, higher than the S&P 500 average of 63.0 and the second highest of all S&P 500 primary sectors.
- » The youngest average age of a real estate board is 59.1 years and the oldest is 70.0.
- » Real estate boards average 10.3 members, slightly below the 10.7 director average for S&P 500 company boards.
- » Independent directors represent 83% of all directors on real estate boards, below the 85% average for the S&P 500 universe.
- » The average tenure of independent directors on real estate boards is 9.5 years, longer than the S&P 500 average of 7.9 years and the longest of all S&P 500 primary sectors.
- » The longest-tenured real estate board is 17.8 years.

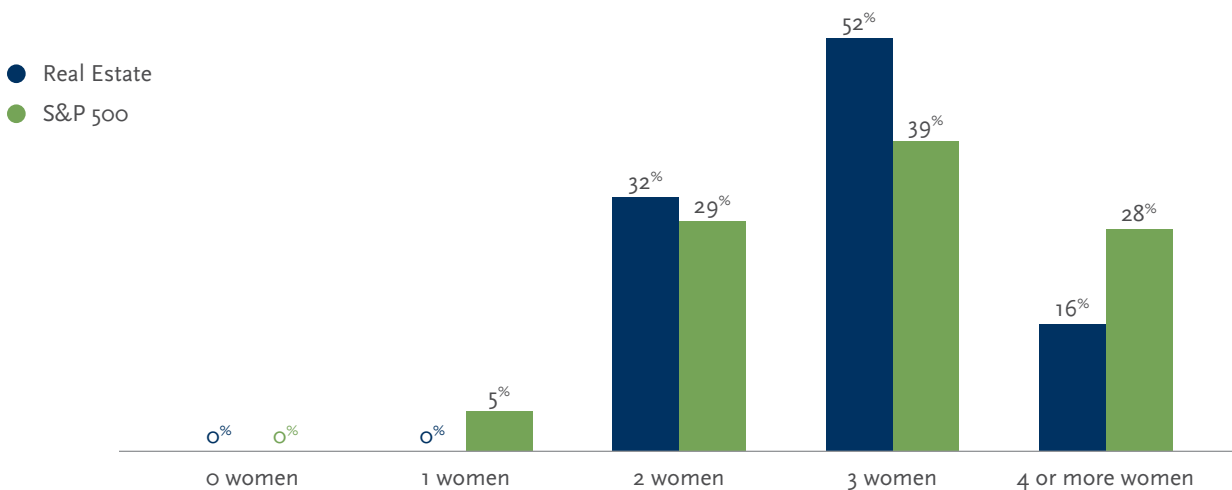


Diversity

Gender diversity of real estate boards matches the S&P 500 universe, with women representing 28% of all real estate board members in 2020, the same as the S&P 500 overall.

Every S&P 500 company has at least one female director. Ninety-five percent (95%) of the S&P 500 index have at least two female directors, and two-thirds (67%) of S&P 500 companies have three or more female directors. In contrast, all real estate companies have at least two female directors, and, consistent with the S&P 500, two-thirds (68%) have three or more women. Thirteen S&P 500 boards are composed of at least 50% women; two real estate boards are 50% women.

Representation of Women Directors on Real Estate Boards



New independent director backgrounds

Eighteen real estate companies — 58% of the surveyed group — added at least one director over the past year. Appointees averaged 55.4 years of age, the youngest of all S&P 500 primary sectors. First-time directors represented 41% of directors joining real estate boards in 2020 — significantly higher than the 28% overall average for the S&P 500 and the second highest percentage of S&P primary sectors.

Real estate companies appear to be prioritizing gender diversity with their director appointments. Diverse directors (women and minority men) represented 64% of the 22 directors joining real estate boards over the past year, the second highest percentage of all S&P 500 primary sectors. Of those joining real estate boards in 2020, 59% are women — the highest percentage of all S&P 500 primary sectors. Only 5% are minority men, the lowest percentage of all S&P 500 primary sectors. In comparison 59% of directors joining the S&P 500 index are diverse, including 47% women and 12% minority men.

Similar to the S&P 500 incoming class, 50% of the directors joining real estate boards are actively employed. The profile of independent directors joining real estate boards in 2020 differs from the S&P 500 index, with 32% having line/functional backgrounds, the highest of all S&P 500 primary sectors, and no directors having chair/president/COO experience.

Most (88%) independent directors joining real estate boards over the past year have the following backgrounds: functional unit heads (32%); financial executives (32%); and current or former CEOs (23%).

	2020 Real Estate	2020 S&P 500
CEOs	23%	29%
<i>Active</i>	14%	13%
<i>Retired</i>	9%	16%
Chairs/presidents/COOs	0%	6%
<i>Active</i>	0%	3%
<i>Retired</i>	0%	3%
Line and functional leaders	32%	16%
Division/subsidiary presidents	5%	7%
Finance/accounting executives	32%	27%
<i>Financial executives/CFOs/treasurers</i>	18%	14%
<i>Investment managers/investors</i>	5%	8%
<i>Bankers/investment bankers</i>	9%	4%
<i>Public accounting executives</i>	0%	1%
Academics/nonprofit executives	0%	3%
Consultants	0%	3%
Legal	5%	2%
<i>General counsel</i>	5%	2%
<i>Lawyers</i>	0%	0%
Others	5%	7%
<i>Government/military</i>	5%	5%
<i>Others</i>	0%	2%

Board leadership

Sixty-one percent (61%) of real estate companies in the S&P 500 index separate the chair and CEO roles, versus 55% of all S&P 500 boards. Independent chairs are in place at 35% of real estate companies and 34% of all S&P 500 index companies. Eighty-one percent (81%) of all real estate companies have an independent lead or presiding director — the second highest percentage of all S&P 500 primary sectors and higher than the 73% average of the S&P 500.

Board organization and process

As detailed below, real estate boards meet less frequently than the S&P 500 index. Only 3% of real estate companies have staggered, three-year terms for directors, the lowest percentage of all primary sectors. In contrast, 10% of S&P 500 companies have classified boards. While 70% of S&P 500 boards have adopted mandatory retirement policies, only 45% of real estate boards have adopted age limits for directors, the second lowest percentage of all S&P 500 primary sectors.

	2020 Real Estate	2020 S&P 500
Classified board	3%	10%
Board meetings (avg #)	6.6	7.9
Board committees (avg #)	3.8	4.2
Audit committee		
<i>Size (avg #)</i>	4.2	4.4
<i>Meetings (avg #)</i>	7.5	8.2
Compensation committee		
<i>Size (avg #)</i>	4.3	4.3
<i>Meetings (avg #)</i>	4.6	5.9
Nominating/governance committee		
<i>Size (avg #)</i>	4.2	4.4
<i>Meetings (avg #)</i>	3.5	4.5
Mandatory retirement	45%	70%
Retirement age (avg)	74.3	73.6

Real estate sector companies

Alexandria Real Estate Equities

American Tower Corporation

Apartment Investment and Management Company

AvalonBay Communities

Boston Properties

CBRE Group

Crown Castle International Corp.

Digital Realty Trust

Duke Realty Corporation

Equinix

Equity Residential

Essex Property Trust

Extra Space Storage

Federal Realty Investment Trust

Healthpeak Properties

Host Hotels & Resorts

Iron Mountain

Kimco Realty Corporation

Mid-America Apartment Communities

Prologis

Public Storage

Realty Income Corporation

Regency Centers Corporation

SBA Communications Corporation

Simon Property Group

SL Green Realty Corporation

UDR

Ventas

Vornado Realty Trust

Welltower

Weyerhaeuser Company



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Privately held since 1956, we focus on delivering knowledge, insight and results through the collaborative efforts of a team of experts — now spanning more than 70 offices, over 30 countries and more than 50 practice specialties. Boards and leaders consistently turn to Spencer Stuart to help address their evolving leadership needs in areas such as senior-level executive search, board recruitment, board effectiveness, succession planning, in-depth senior management assessment, employee engagement and many other facets of culture and organizational effectiveness. For more information on Spencer Stuart, please visit www.spencerstuart.com.

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