

## 2021 Spencer Stuart Real Estate Sector Snapshot

Real estate companies in the S&P 500 — a group of 29 companies — tend to be longer-tenured than S&P 500 boards overall.

- » The average age of independent directors on real estate boards is 63.7, higher than the S&P 500 average of 63.0.
- » The youngest average age of a real estate board is 58.0 years, and the oldest is 70.0.
- » Real estate boards average 10.3 members, slightly below the 10.8 director average for S&P 500 company boards.
- » Independent directors represent 84% of all directors on real estate boards, below the 86% average for the S&P 500 universe.
- » The average tenure of independent directors on real estate boards is 8.6 years, longer than the S&P 500 average of 7.8 years and the longest of all S&P 500 primary sectors.
- » The longest-tenured real estate board is 16.8 years.

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**Editor's Note:** The data in this report is taken from the 2021 *U.S. Spencer Stuart Board Index* which is based on our analysis of the most recent proxy reports from the S&P 500. The 2021 edition of the index draws on the latest DEF14A proxy statements from 493 companies filed with the SEC between May 28, 2020, and May 13, 2021. Data in tables and charts may not total 100% due to rounding.

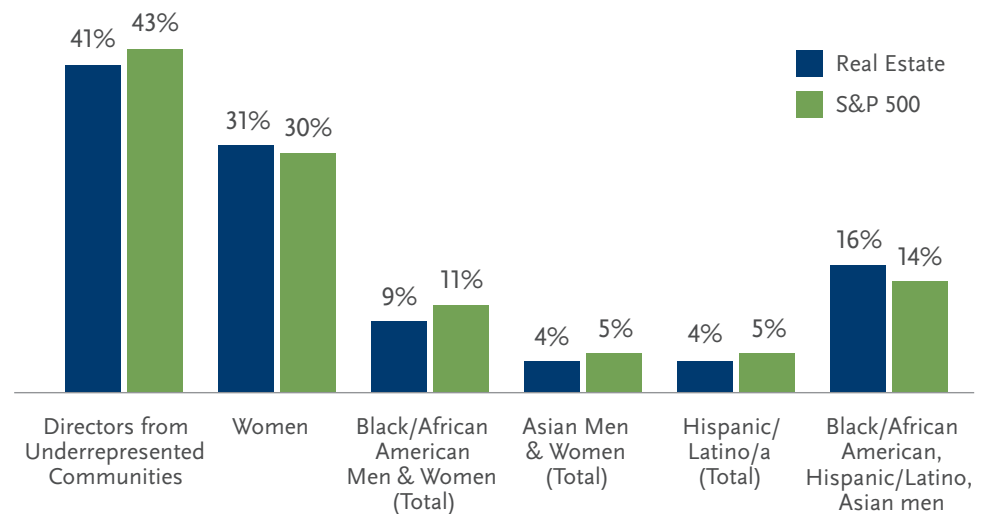
## Diversity

The diversity of real estate boards lags behind the S&P 500 universe, with directors from underrepresented communities (women, Black/African American, Hispanic/Latino and Asian men) representing 41% of directors on real estate boards, compared with 43% of S&P 500 boards. Women represent 31% of all real estate board members in 2021, compared to 30% of S&P 500 directors in general.

Both the real estate sector and the S&P 500 index fall short of reflecting U.S. demographics. According to the U.S. Census Bureau, 51% of the U.S. population are women and about 42% identify as Hispanic/Latino/a (18.5%), Black/African American (13.4%), Asian (5.9%), American Indian or Alaskan native (1.3%), or multiracial (2.8%).

Thirty-one percent (31%) of real estate companies disclosed director-specific race/ethnicity details, compared with 28% of all S&P 500 companies. Thirty-eight percent (38%) of real estate sector companies disclosed a commitment to including directors from underrepresented communities in searches for new directors, shy of the 39% average of S&P 500 companies.

### DIVERSITY OF REAL ESTATE BOARDS



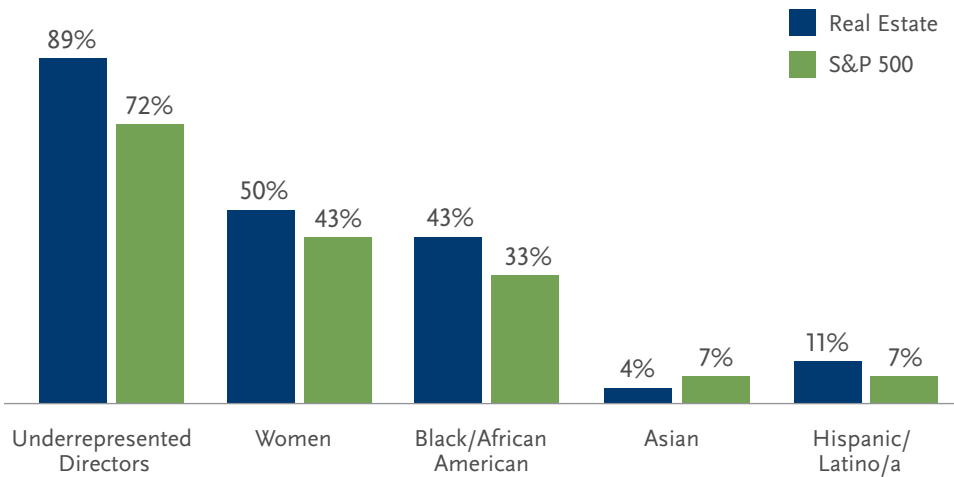
Four real estate boards (14% of the sector) have no Black/African American, Hispanic/Latino/a or Asian directors. In contrast, 37 (8%) S&P 500 boards have no Black/African American, Hispanic/Latino/a or Asian directors. Ninety-six percent (96%) of the S&P 500 index have at least two female directors, and more than two-thirds (72%) of S&P 500 boards have three or more female directors. In contrast, 79% of real estate boards have three or more women directors. Sixteen S&P 500 boards are composed of at least 50% women, including one real estate board.

## New independent director backgrounds

Fifteen companies — 52% of the real estate sector — added at least one independent director over the past year. Appointees averaged 56.1 years of age, younger than the 57.5 average for all independent directors joining S&P 500 boards, and the second youngest of all sectors. First-time directors represented 43% of independent directors joining real estate boards, higher than the 35% overall average and the second highest of all sectors.

Directors from underrepresented communities constituted 89% of the 28 independent directors joining real estate boards over the past year, compared with 72% of directors joining S&P 500 boards, and the second highest of all sectors. Real estate boards appointed the highest percentage of Hispanic/Latino/a directors of all sectors.

### DIVERSITY OF INDEPENDENT DIRECTORS JOINING REAL ESTATE BOARDS



Sixty-four percent (64%) of the independent directors joining real estate boards are actively employed, compared to 56% of independent directors joining S&P 500 boards and the second-highest of primary sectors. Compared to the S&P 500 incoming class of independent directors in 2021, real estate boards recruited a higher percentage of financial executives and fewer division/subsidiary leaders.

## NEW INDEPENDENT DIRECTOR FUNCTIONAL BACKGROUNDS

	2021 Real Estate	2021 S&P 500
<b>CEOs</b>	<b>21%</b>	<b>22%</b>
<i>Active</i>	14%	12%
<i>Retired</i>	7%	10%
<b>Chairs/presidents/COOs</b>	<b>4%</b>	<b>4%</b>
<i>Active</i>	0%	2%
<i>Retired</i>	4%	2%
<b>Line/functional leaders</b>	<b>21%</b>	<b>21%</b>
<b>Division/subsidiary leaders</b>	<b>4%</b>	<b>12%</b>
<b>Finance/accounting executives</b>	<b>36%</b>	<b>27%</b>
<i>Financial executives/CFOs/treasurers</i>	18%	13%
<i>Investment managers/investors</i>	14%	8%
<i>Bankers/investment bankers</i>	4%	3%
<i>Public accounting executives</i>	0%	3%
<b>Academics/nonprofit executives</b>	<b>4%</b>	<b>4%</b>
<b>Consultants</b>	<b>7%</b>	<b>1%</b>
<b>Legal</b>	<b>0%</b>	<b>4%</b>
<b>Others</b>	<b>4%</b>	<b>5%</b>

## Board leadership

Seventy-two percent (72%) of real estate companies separate the chair and CEO roles — higher than the 59% S&P 500 average and the second highest of all sectors. Independent chairs are in place at 45% of real estate companies, compared to 34% of the overall S&P 500 index, and the second-highest of all primary sectors. Sixty-nine percent (69%) of all real estate companies have an independent lead or presiding director, just below the 70% average of the S&P 500.

## Board organization and process

As detailed below, real estate boards and committees meet less frequently than the overall S&P 500 index. Real estate audit and compensation committees meet the least, on average, of all sectors. 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 48% of real estate boards have adopted age limits for directors — the second-lowest percentage of all S&P 500 primary sectors.

### BOARD ORGANIZATION AND PROCESS

	2021 Real Estate	2021 S&P 500
<b>Classified board</b>	3%	10%
<b>Board meetings (avg #)</b>	8.7	9.4
<b>Board committees (avg #)</b>	3.9	4.2
<b>Audit committee</b>		
<i>Size (avg #)</i>	4.4	4.5
<i>Meetings (avg #)</i>	7.3	8.4
<b>Compensation committee</b>		
<i>Size (avg #)</i>	4.1	4.3
<i>Meetings (avg #)</i>	5.3	6.2
<b>Nominating/governance committee</b>		
<i>Size (avg #)</i>	4.3	4.4
<i>Meetings (avg #)</i>	4.4	4.7
<b>Mandatory retirement</b>	48%	70%
<b>Retirement age (avg)</b>	74.4	73.7

## Real Estate Sector Companies

Alexandria Real Estate Equities

American Tower Corporation

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

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](http://www.spencerstuart.com).

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