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Recruitment of Development Pros on the Rise

Job opportunities are opening up for development and redevelopment professionals as real estate investment shops increasingly eye construction as a route to higher returns.

A number of firms that had shelved development programs are getting back into the game, while others are expanding their platforms. That has revived demand for professionals with project expertise—a specialty that fell out of favor after the downturn. So far the focus is on top-tier cities such as New York and Washington, where investors see development and redevelopment as ways to achieve higher yields, compared with competing for existing properties.

“Anybody can buy a building. Not everyone can build a building,” said **Steven Littman**, a managing partner of New York search firm **Rhodes Associates**. “Considering today’s [capitalization] rates, development is much less competitive than other areas of investment, and although the risks are greater, the returns can be

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significantly higher.”

The demand has been mainly for professionals with expertise in ground-up development, especially multi-family, hotel and retail projects, Littman said. Those asset classes, particularly in New York, have posted strong gains in occupancy and revenue.

New York-based Rhodes is handling or has recently completed searches for more than half a dozen companies seeking development talent. They included **Extell Development**, **Fisher Brothers**, **Hines**, **Lightstone Group**, **Oxford Properties** and **Penzance Cos.**

“Right now we are very bullish on development,” said **Joe Margolis**, chief operating officer of Penzance. The Washington firm historically has been more focused on acquiring properties and renovating or redeveloping them, but is now actively pursuing ground-up projects, driven by favorable pricing for sites and upbeat economic projections.

To that end, Penzance is looking to hire a head of development and additional project managers. “We are going to be very active in the next several years, and we want to fill out the team.”

Fisher Brothers has been rebuilding its platform over the past year. After hiring veteran builder **Brian Collins** as head of development, the New York firm has added four more professionals and is scouting out development projects in the New York-to-Boston corridor.

Lightstone, also in New York, is looking to add a senior development manager. The company, which has prior experience developing retail properties, recently began committing to multi-family projects in New York.

Anthony LoPinto, global sector leader of real estate at executive recruiter **Korn/Ferry International** of New York, said his firm has handled several development-related placements recently. “There is an increasing level of activity,” he said, adding that the hiring has mostly been confined to New York and hasn’t yet picked up on a national level. ❖