

BDO 600

Board Director Compensation Trends in Middle-Market Real Estate Companies



DIRECTOR COMPENSATION CONTINUES TO CLIMB IN SIX DIFFERENT INDUSTRIES BUT DECLINES IN TWO, ACCORDING TO AN ANALYSIS CONDUCTED BY BDO USA, LLP, A LEADING ACCOUNTING AND CONSULTING ORGANIZATION.

The *BDO 600: 2013 Survey of Board Compensation Practices of 600 Mid-Market Public Companies* examines the director compensation trends in publicly-traded companies with annual revenues from \$25 million to \$1 billion in the energy, healthcare, manufacturing, real estate, retail and technology industries; and publicly-traded companies with assets between \$50 million to \$2 billion in the banking and financial services industries. Information for the study was drawn from proxy statements that were filed between May 15, 2012, and May 15, 2013.

Board of directors pay in the real estate sector increased another year in a row, with average total compensation rising to \$133,148 from \$125,498. This six percent increase ties for third place with the retail sector for most year-over-year growth across all eight surveyed industries. However, not every sector experienced positive movement in director compensation. Board member pay in the technology industry decreased two percent to \$174,407. However, technology boards still receive the highest average total compensation of the group.

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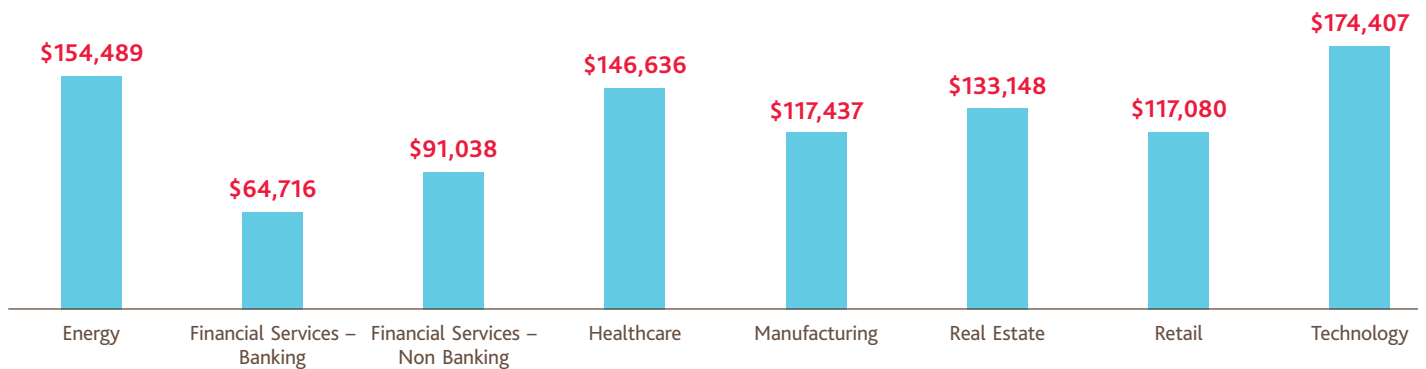
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Board Director Compensation by Industry 2011 – 2012



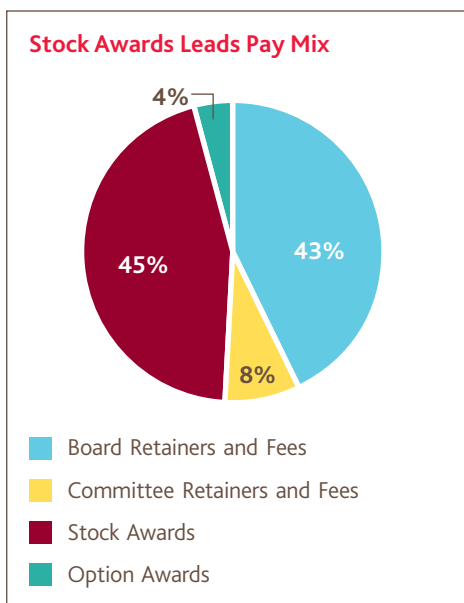
“Director compensation growth within the real estate sector parallels the industry’s recovery, with its slow but continued improvement,” says **Randy Ramirez, senior director in the Global Employer Services practice at BDO.**

► REAL ESTATE COMPENSATION LEVELS REMAIN STEADY

Board of directors in the real estate industry earn an average total compensation of \$133,148, ranking fourth among the industries surveyed. Holding steady with last year’s numbers, real estate board member compensation continues to reflect the sector’s gradual progress amidst a challenging market environment. While directors continue to work around industry obstacles, such as rising interest rates and a changing regulatory landscape, their compensation packages have yet to reflect this completely, possibly due to slow momentum in the market.

► FULL-VALUE AWARDS DOMINATE PAY MIX

Average real estate director compensation consists of 45 percent stock awards, 43 percent board retainers and fees, eight percent committee retainers and fees and four percent stock option rewards. While this doesn’t stray too far from last year’s pay mix, directors at real estate companies were the only ones to see positive growth in their awards of stock options this year and had the highest increase in committee retainers and fees, at 14 percent.



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