



By Michael Moran, Senior Principal and Audrey Symes, Head of Research

Executive summary

Internal succession is the dominant model for C-suite appointments at public companies, but the rate and pattern of external hiring vary meaningfully by sector and by role.

Across a combined sample of 231 C-suite appointments at 27 companies, we find that **REITs fill 67% of C-suite roles internally**, while **non-REIT public companies fill 73% internally**. Both groups default to promoting from within, but they open the door to outside talent for different reasons and in different roles.

The biggest divergences appear in accounting (REITs hire externally at 2x the non-REIT rate), technology (non-REITs import tech leadership far more aggressively), and legal (REITs keep legal roles almost exclusively internal). These patterns reflect structural differences in what each sector needs from outside talent: specialized regulatory knowledge in REITs, digital transformation mandates in industrials and financial services, and deal-network portability in alternative asset managers.

Data and approach

We compiled C-suite appointment data for 27 publicly traded companies across five sectors:

- **REITs (17 companies, 103 appointments):** Welltower, Ventas, Extra Space Storage, Mid-America Apartment Communities, Boston Properties, Healthpeak Properties, Crown Castle, AvalonBay, Prologis, Public Storage, American Tower, Realty Income, Equinix, Vornado Realty Trust, Digital Realty, Simon Property Group, Equity Residential
- **Alternative asset managers (5 companies, 69 appointments):** Blackstone, Brookfield, KKR, Apollo, Ares Management
- **Utilities (2 companies, 22 appointments):** NextEra Energy, Duke Energy
- **Industrials (2 companies, 27 appointments):** Caterpillar, Honeywell
- **Financial services (1 company, 10 appointments):** BNY Mellon

Each appointment was classified as internal (promoted from within the company) or external (hired from outside). Roles were normalized into functional categories to enable cross-sector comparison. An executive who joined from outside and was subsequently promoted within the same firm is classified as internal for the most recent appointment.

Headline findings

Both REITs and non-REITs are internal-first, but REITs are slightly more open to outside talent

REITs filled 67% of C-suite roles through internal promotion (69 of 103 appointments), while non-REITs came in at 73% (94 of 128). The 6-percentage-point gap is modest but consistent: REITs are more willing than the broader market to reach outside for executive talent.

This matters because it reframes the conventional wisdom. REITs are not unusually insular. Internal succession is the default across all public companies. What distinguishes REITs is *where* they choose to go external, not whether they do.

Role-by-role comparison reveals where the models diverge

The aggregate numbers mask sharp role-level differences between REITs and non-REITs:

Role	REITs	Non-REITs	Delta	n (R)	n (NR)
CEO	82%	86%	-4pp	(17)	(37)
CFO	71%	73%	-3pp	(17)	(15)
COO / Operations	73%	86%	-13pp	(11)	(7)
Legal / General Counsel	86%	71%	+14pp	(7)	(7)
CIO / Investment	62%	75%	-12pp	(8)	(8)
Technology (CTO, CIO, CDO)	64%	44%	+21pp	(14)	(16)
HR / People	57%	50%	+7pp	(7)	(4)
Accounting / Audit	40%	80%	-40pp	(5)	(5)

Where both groups agree

CEO appointments are overwhelmingly internal in both groups (82% REIT, 86% non-REIT), confirming that enterprise leadership is a promote-from-within function regardless of sector. CFO follows the same pattern at roughly 70%+ internal for both. HR splits close

to evenly in both samples. These are structural similarities: the roles that require deep institutional trust and board familiarity are filled the same way everywhere.

The three biggest divergences

Accounting and audit (–40pp): This is the widest gap in the dataset. REITs fill only 40% of accounting roles internally, compared to 80% for non-REITs. REIT financial reporting sits at the intersection of real estate operations, partnership tax structures, and SEC compliance. That specialized complexity may create disproportionate demand for external hires who bring regulatory depth from audit firms or other REITs. In non-REITs, accounting is a classic internal-pipeline function.

Technology (+21pp favoring REITs): REITs fill 64% of technology roles internally, while non-REITs are at just 44%. This is somewhat surprising at first glance, but could be explained by the fact that REITs, with narrower tech footprints, tend to develop tech talent in-house. Non-REIT industrials and financial firms are more aggressive about importing digital leadership from outside, likely reflecting larger-scale transformation mandates (cloud migration, AI integration, IoT).

Legal and general counsel (+14pp favoring REITs): REITs keep 86% of legal roles internal versus 71% for non-REITs. Institutional knowledge of lease structures, property-level liability, and REIT qualification rules all promote retention of internal legal talent. The non-REIT legal pipeline, while still majority-internal, is more open to lateral hires from law firms and other corporations.

Other notable gaps

COO and operations roles are 73% internal for REITs but 86% for non-REITs (–13pp). Several REITs in the sample (Crown Castle, Healthpeak, Boston Properties) brought in operational leaders from outside, often in the context of portfolio pivots or strategic repositioning. CIO/investment roles show a 12-point gap in the opposite direction: non-REITs (especially alt managers like Brookfield and KKR) fill investment leadership more internally, developing deal talent over decades-long careers.

Company-level variation

Averages conceal wide dispersion, especially within the REIT sample:

Company	Type	% Internal	n
Extra Space Storage	REIT	100%	5
Mid-America Apartment	REIT	100%	6
AvalonBay	REIT	100%	4
American Tower	REIT	100%	4
NextEra Energy	Utility	100%	6
Duke Energy	Utility	100%	16

Caterpillar	Industrial	86%	14
Prologis	REIT	86%	7
Welltower	REIT	83%	12
Vornado Realty Trust	REIT	83%	6
Simon Property Group	REIT	80%	5
Equity Residential	REIT	80%	5
Brookfield	Alt Manager	77%	31
Honeywell	Industrial	77%	13
Blackstone	Alt Manager	62%	8
KKR	Alt Manager	62%	24
Digital Realty	REIT	57%	7
Realty Income	REIT	56%	9
Ares Management	Alt Manager	50%	2
Equinix	REIT	50%	8
Public Storage	REIT	50%	6
Healthpeak Properties	REIT	40%	5
BNY Mellon	Financial	40%	10
Boston Properties	REIT	33%	3
Apollo	Alt Manager	25%	4
Crown Castle	REIT	20%	5
Ventas	REIT	17%	6

The REIT range is striking: from 100% internal (Extra Space Storage, MAA, AvalonBay, American Tower) to as low as 17% (Ventas) and 20% (Crown Castle). Non-REITs cluster more tightly, ranging from 100% (both utilities) down to 25% (Apollo). The two extremes tell different stories:

- **Fully internal companies** (Extra Space, MAA, AvalonBay, American Tower, Duke Energy, NextEra) tend to be operationally stable businesses with long-tenured leadership teams and deep institutional bench strength.
- **Heavily external companies** (Crown Castle, Ventas, BNY Mellon, Apollo) are often undergoing strategic transitions, leadership turnover, or deliberate efforts to import new capabilities. Crown Castle, for instance, replaced its CEO, CFO, and CHRO externally in 2025 amid a strategic review.

Sector patterns within the non-REIT sample

Utilities (100% internal): Duke Energy and NextEra Energy did not make a single external C-suite hire in the sample. These are regulated monopolies with decades-long asset lives and multi-year rate case cycles. The premium on continuity is absolute.

Industrials (81% internal): Caterpillar (86%) and Honeywell (77%) run deep internal pipelines but selectively import technology and business-unit leaders. Caterpillar's CHRO was hired externally from Intel; Honeywell brought in two division presidents and a CDTO from outside.

Alternative asset managers (67% internal): Brookfield (77%) and KKR (62%) anchor the group with large internal cohorts developed over decades-long careers. Apollo (25%) and Ares (50%) are smaller samples but notably more open to outside hires. The alt-manager model relies on internal talent development for investment and operating roles, but imports compliance, technology, and regional leadership from outside.

Financial services (40% internal): BNY Mellon stands out as the most externally oriented company in the non-REIT sample, having recently brought in outside talent for CFO, CIO, CPO, CCO, Chief Auditor, and Chief Product Officer. This suggests a deliberate transformation mandate under relatively new leadership.

Interpretation: what the data tells us about talent strategy

The comparison reveals three structural insights:

First, internal succession is not a REIT-specific phenomenon. It is the dominant model across all public companies. Every sector in the sample fills at least two-thirds of its C-suite roles from within, so the differentiating factor is when and why companies choose to look outside for talent.

Second, the roles where companies go external reveal what they value from the outside market. REITs import accounting and tax expertise, reflecting the specialized regulatory environment. Non-REITs import technology leadership, reflecting digital transformation pressure. Both groups import HR talent at similar rates, suggesting that people-strategy is viewed as a portable skill across industries.

Third, company-level variation matters more than sector averages. A REIT at 100% internal (Extra Space Storage) has more in common with a utility (Duke Energy) than with another REIT at 17% (Ventas). The decision to go external is driven less by industry structure and more by firm-specific circumstances: leadership transitions, strategic pivots, capability gaps, and board philosophy.

Conclusion

Public companies across sectors function as semi-closed executive talent systems, highly intentional about when they pursue external candidates. REITs fit this pattern but with a distinctive signature. They are slightly more open to outside talent than the broader market (67% vs. 73% internal). The roles most open to external talent (e.g., accounting, investment, technology) reflect the specialized demands of managing real estate portfolios within a regulated REIT structure.

For boards and management teams, the takeaway is practical: the decision to promote or hire externally should be role-specific and context-driven, not ideological. The data suggests that the best-run companies in every sector know exactly which roles benefit from institutional continuity and which ones benefit from a fresh perspective—and they staff accordingly.

Appendix: Sample composition

REIT sample (17 companies, 103 appointments): Welltower, Ventas, Extra Space Storage, Mid-America Apartment Communities, Boston Properties, Healthpeak Properties, Crown Castle, AvalonBay, Prologis, Public Storage, American Tower, Realty Income, Equinix, Vornado Realty Trust, Digital Realty, Simon Property Group, Equity Residential.

Non-REIT sample (10 companies, 128 appointments): Blackstone, Brookfield, KKR, Apollo, Ares Management, NextEra Energy, Duke Energy, Caterpillar, Honeywell, BNY Mellon.