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Global Economy, Tech Demands Reshaping Skillsets of CRE Brokers

New Broker Resumes Look a Lot Different as Businesses Demand More Specialization

Although the escalating commercial real estate recovery may reinforce the sense that "it's back to business as usual," to those responsible for recruiting brokers in the CRE industry, 2013 hardly seems like business as usual at all.

More and more brokerage firms are actively recruiting new prospects who possess highly specialized experience and skillsets capable of understanding and addressing the real estate needs of firms across the technology, finance, REIT and CMBS industries.

While there is still no substitute for experience, those responsible for bringing in new talent increasingly are looking to attract those with specialized skills to bring to CRE brokerage according to David J. Rubenstein, principal of Cresa Atlanta, who is actively hiring new brokers locally and nationally.

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"Particularly with regard to younger brokers who may not currently have significant books of business, we look for ones that have unique skillsets that help us secure new business and execute business once it has been secured," Rubenstein said. "Examples would include a comprehensive understanding of social media, interior and base building design, construction, financial analysis and capital markets."

"I agree that the qualifications for working effectively as a CRE broker have expanded," said Rachel Maman, managing broker for Boston Investment Realty in Newton, MA. "Besides already having degrees in business with a focus on marketing and/or finance just to get their foot in the door, the new generation of brokers will also have to have strong skills in social media and alternative forms of e-marketing. Experience in zoning, permitting and planning is another skillset that is quickly becoming another basic requirement."

"If the '90s was the Environmental Decade, then we are now in the Urban Planning decade or decades," said Francis P. Rentz, senior commercial advisor of SouthLand Commercial Advisors Inc. in Tallahassee, FL. "You need to learn what they are teaching the urban planners in college because they are all now taking jobs at these cities and implementing what they have learned. How to stop traffic congestion, How to stop sprawl, How to stop sewer plant problems, How to make bus service work... they have an "app" for all of these problems."

Speaking the Language of Business

Aside from business experience, individuals who can quickly size up and understand a company's operations, business model and competition rank very high on recruiters' wish lists. Having a deep acumen also rates highly.

"To be a successful broker in the industrial real estate marketplace, one has to be able to speak the language of a very broad constituency of owners, users and tenants," said Rick Vanderbeck, marketing/leasing director of First Industrial Realty Trust in Pine Brook, NJ. "Many pension funds have increased their allocations to industrial properties as they seek yield in the current low interest rate environment."

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To be in a position to provide valuable advice to sophisticated investors like pension funds, brokers need to be keenly aware of various investment strategies, underwriting criteria and possess impeccable market knowledge, Vanderbeck added. They're also expected to have a working knowledge of investment criteria, cap rates and supporting market fundamentals. Finding qualified candidates is becoming an increasingly tall order.

"With brokers in big markets who work for big CRE firms that support Fortune 1,000 firms, there is definitely an increase in specialization," said Chris Gary, vice president | industrial services of NAI Hiffman Commercial Real Estate Services in Oakbrook Terrace, IL.

These days, brokers are not just specializing in office, retail and industrial property. Logistics, food production, and LEED are some of the areas that have increased in specialization in recent years, according to Gary, adding these sub-specialities affect roughly 20% of the brokers at those companies.

Also gone are the days when a broker would arrange the initial outline of a deal and then 'hand it off' to the numbers guys to hammer out the details. Commercial brokers today are expected to possess financial expertise.

"Being able to demonstrate overall cost savings to buyers/tenants is an increasingly crucial component of the job," Gary said. "I have an MBA with a concentration in finance, and I've found myself dusting off old textbooks in recent years as finance has become increasingly important."

Also being able to 'switch gears' and adjust your approach to the specific business of client is also crucial.

"I used to work for a Fortune 50 company (AT&T), so I feel that I can speak the language of corporate managers," added Gary. "It's a different skill set than talking to small- to medium-sized business owners, where the real estate expense more directly affects their take-home pay."

Gary Metzler, managing director/ broker of Metzler Enterprises in McKinney, TX, said he has drawn on his architecture license and a long career in high tech to distinguish himself to clients who are typically technology or medical industry related.

"I'm using numerous skills I picked up in the high tech (semiconductor) industry; strategic planning, cost effective execution, a brutal adherence to schedules, plus insight on the global workplace- cultures and diversity."

Asked To Provide and End-to-End Services

"I have been in brokerage now for three years after spending a little more than a decade in office furniture, interior design and construction," said Dan Thomson, transaction advisor of DTZ, a UGL company in Raleigh, NC. "Companies and real estate executives are being asked to maximize their workplace resources and the only way to do this is through a holistic, end-to-end approach."

Being in a position to advise clients on a broad range of real estate-related issues, from design, project/construction management and capital expense forecasting to change communication, workplace trends and understanding generational differences in the workplace has given Thomson a competitive edge. "I'm able to provide enhanced value to executives seeking to know more than the best rate they can get on a space."

Increasingly, CRE headhunters say, it's getting very difficult for people just graduating from college to break into brokerage. Competition comes from business executives with years of experience who decide to make a career change, such as Craig Daste, owner of High Performance Properties in Metairie, LA, who sold his construction business 10 years ago and then began a full time career in commercial real estate.

"The many years past experience negotiating with various sub-contractors, suppliers, bankers, and customers made things much easier when we started rehabbing office properties in the New Orleans area following Hurricane Katrina. Cost controls implemented during renovation along with controlling monthly

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property management expenses are important for your success," Daste said.

"We also found the commercial bankers were more at ease knowing they were lending to investor/owners with a history of job completion and controlling work schedules," Daste added.

"Generally, qualifying to be a commercial broker at our firm is harder [because] many more applicants today have better resumes than in the past," said Ken Ulsaker, executive vice president, Commercial Division of Long & Foster Real Estate in Vienna, VA.

"Currently our brokers have come from the following backgrounds: lawyers, lobbyists, business owners, salespeople from various compatible industries, experienced real estate brokers, developers, computer consulting firms, executives from fortune 500 firms, commercial property managers and commercial appraisers."

Ulsaker said his firm looks for applicants with highly specialized skillsets, such as having a vital knowledge base to satisfy a specific clientele or a complementary skill to what the firm already offers, including those who who can better tap into the large minority commercial activities.