



# WHAT DOES IT TAKE TO SUCCEED in Commercial Real Estate?

First of all, you must be prepared to "invest" in your own career, which means you will work for less starting money than in many other fields. Why? Because of supply and demand: our industry attracts entrepreneurs, but also many people who think a real estate career is easy money. There are still more real estate agents than the market can productively employ and fewer commissions to go around. In addition, because the company that hires you will spend a lot of time and money training you, (during which time you will be of relatively low value and productivity while you are learning), you must be willing to invest partially in your training by working more hours for less money. It is a world with its own language and culture unlike other businesses, and far different from residential real estate. There are many avenues one can travel in the CRE industry, some of which are described below. It is both a thrilling and exhausting career. It can be exhilarating and depressing all at once, as you ride from peaks to valleys on each transaction, project, or property.

## WAYS TO GET IN:

**1. Brokerage/Transaction Services:** Residential brokerage is one way to start, however, very few people successfully transition from residential to commercial real estate. Brokers, which we call 'advisors', work on transactions such as leases and sales of all commercial property types. What are the property types? Office, flex, industrial, distribution, R&D, medical, educational, government, hotel/motel, retail with lots of sub categories, multi-family (aka apartments), self-storage, mixed use buildings, and all types of land. The really talented folks often will grow into consultative relationship managers where the projects are not transactions but deep and wide projects requiring expertise in all areas of CRE. The best place to start on an advisory brokerage track is to provide support for a senior broker from whom you learn in transaction specific activities. Our marketing team is a great place to get started in this path. Student interns will often get short glimpses of this activity from the periphery. Brokers, advisors, consultants are all names for folks who work in this area, and these people usually get paid based on what they bring in: straight commission that is split with the brokerage company. Folks in training will sometimes qualify for draws against commissions or get paid salaries when they are providing support services for others.

**2. Property/Facilities Management:** This is taking care of the properties and tenants in them and reporting to the owners or asset managers that are responsible for them. Getting started in property management usually requires starting at a modest salary in administrative support or hands on maintenance. So one way to get into our business is through an administrative position where you are exposed to many aspects while being paid as a support individual. We have had a number of employees rise from secretary to managers and even brokers making six figure incomes. Typically people in this division get paid salaries and discretionary bonuses.

**3. Construction and Project Management:** Any construction job is helpful to learn the business because no one makes it to the big income levels without having significant knowledge of construction, and the rest of the activities listed below. Our property management division does construction management, usually on capital replacement or repair projects or tenant improvement projects. Construction managers usually get paid a fixed fee or a percentage of a job cost. We also offer project management services for a fee to tenants, investors, buyers, and institutions, and these services can get quite complex, from financial analysis to move management. These services are offered primarily through AACRE Properties for our family of companies.

**4. Lending and Commercial Banking:** No one does commercial real estate investing without at least understanding debt ratios and service, loan types, lenders, lending practices and standards, credit, and so forth. Credit is the lifeblood of commercial real estate. This business gives a great bird's eye view of commercial real estate. Colliers has a capital markets group but we do not have mortgage brokerage locally beyond basic financing services for specific transactions done by our development company.



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**5. Architecture:** Love for design and managing details really helps a person succeed. We have had architects within Colliers, but not in our office at this time. We typically outsource our architectural needs to providers that fit the project needs. Keep in mind that most architects are creative personalities that are not comfortable with sales and finance.

**6. Engineering related to construction:** structural, civil, mechanical, electrical, all of which will help you communicate with many of the players involved in a transaction. We outsource all of our engineering service needs to third party firms that fit the project. Engineers often make good developers, project managers or even members of advisory teams.

**7. Sales careers:** Almost any sophisticated product or service sales is good preparation for our business of advisory brokerage; and the more complex, the bigger the ticket, the longer the sales cycle, and the more competitive the industry, the better that background is for CRE.

**8. Corporate Accounting:** All of us in our business must know the basics of accounting and finance to really be successful. But we have a powerful local financial and accounting team that serves internal and external clients for complex financial analysis. Financial analytical skills are becoming increasingly essential for successful advisors, brokers, and developers.

**9. Commercial Real Estate Law** is another essential field of knowledge for the CRE professional. Whether it is leases, purchase agreements, or other basic contract law, we all have to know those contracts and provisions well in order to be successful. We outsource our legal work to outside providers that fit the project or transaction need, however, legal training is often quite helpful in our advisory and development businesses.

## WHAT DOES IT TAKE? INTEREST AND/OR BASIC SKILLS IN...

1. Finance and Accounting
2. Construction, Architecture, Engineering
3. A great memory
4. Competitiveness
5. An eye for details
6. Competency in arithmetic
7. Competency in law
8. Love for land and buildings
9. Passion for helping others
10. Communication skills: oral and written
11. Networking ability
12. Negotiation and conflict management skills
13. An affinity for computers and e-commerce: where our knowledge base is located and utilized.

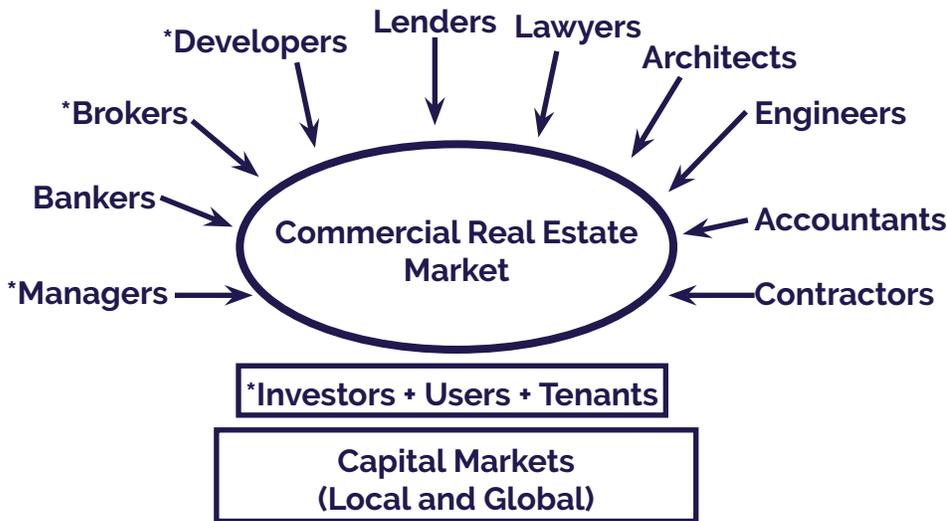
## BENEFITS OF A COMMERCIAL REAL ESTATE CAREER:

1. Never ending challenges: It is fun if you have the right attitude!
2. Tangible results of your work: You get to see buildings grow, tenants hire, and land uses change
3. High income potential: Big deals can equal big bucks
4. Wealth building potential: Many of the world's great fortunes are made from real estate investments
5. Freedom: Write your own business plan and work it independently with a great team that you help build
6. Become a multi-disciplinary business expert. Great for Renaissance types!
7. Highly stimulating and exciting amidst equally high stress

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- 8. Initiator: Become an advocate for community growth and development
  - 9. Philanthropic growth: Opportunity to return the financial blessings of success for impact in the community
- We encourage you to refer to the "Resources" section of our website, <http://www.colliers.com/en-us/raleigh-durham>, for more information on the web about commercial real estate careers. Finally, please know that we pray that you will be led into your God-given destiny, where your unique gifts will be maximized for your family and community, wherever your journey may lead.

## WHO MAKES UP THE COMMERCIAL REAL ESTATE BUSINESS AND MARKET



The real estate world is a vast segment of the US and global economy, and many different "actors" serve it. Any one of these represents a potential path into the business, and Colliers International represents four of those paths. (noted by " \* ")

## THE ART OF THE COMMERCIAL REAL ESTATE DEAL AND HOW THE SERVICE PROVIDERS FIT TOGETHER



Advisors/brokers work with developers, landowners, tenants, investors, property managers, lenders, architects, engineers and contractors. The best advisors serve as the glue that holds the project together and sees it through to completion and occupancy.



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## HOW TO BUILD A CAREER IN CRE:

**Get the Right Degree:** and it does not have to be from a college!

While there are many paths to a career in the real estate business, one of the first things to do is focus on the right education. While being an advisor or developer does not require a degree, to get the right first job, usually does. So, what kind of education is needed?

The following areas of education are often in the background of those who have entered the business;

- Civil Engineering
- Architecture
- Finance
- Accounting
- City and Urban Planning
- Construction Management
- Business and Marketing
- Real Estate specific education: leasing, CCIM, RPA, CPA, SIOR, etc

## Build Your Networks Early

Build your networks early, either during college, or once you enter the business. To build your networks, and facilitate choices for your first job, use the following pathway:

- Local industry networks, including local builders exchange, local and regional Homebuilders association. An example in NC is the Homebuilders groups (local and state), Triangle Community Coalition, CCINM, NAIOP, ULI, TCREW, TCAR and SIOR. Occasionally they will hold local mixer events, market updates, or hold monthly meetings.
- National industry networks, such as homebuilders and multi-family associations. Examples would be the National Multi-Housing Council or the National Association of Home Builders (usually affiliated with local HBA's per above). Many of these national groups have regional student chapters. The national groups will hold annual meetings, and regional conferences.
- Attend real estate and economic development conferences. An example in North Carolina, there are Builders and Realtor Conferences. Search your local or regional conference.

Your goal here is to meet as many people as you can, and gently let them know you are seeking a position with real estate brokerage or development company, and ask if they might know anyone. A powerful way to approach anyone is the indirect approach: "Do you know anyone who might be looking to hire or that is seeking an intern?"

## Get the right first job

As a broker, advisor, or developer in training, you want a first job that exposes you to the maximum amount of property marketing and development cycles with the maximum probability of learning with velocity (time and speed). You will need to learn all of these components of a development or investment deal: land acquisition, site selection and sourcing, zoning and entitlements, architectural design management, deal underwriting, financing, construction, leasing, property and asset management and sales.



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I would suggest working for companies that already market or develop the types of projects that you are ambitious to market or build in the future. One word of caution, don't take a first job that is oriented around construction or construction management. I have found it often to be hard for folks to move from construction to brokerage or development without some loss of career traction to do so.

For example, I know young people from families of real estate developers, who were ambitious to learn rapidly and work for others in the CRE development domain. Starting as a rookie assistant project manager, led to becoming a seasoned senior project manager running the entire project from finding the land to putting the project into long term asset management phase. This gave them the exposure to all aspects of a development deal on multiple larger ground up development deals.

In development your likely job title will be: assistant project manager, analyst or development associate. Whatever it is, you will be working for a more seasoned project manager or senior project manager.

To find development companies, search in your local area, Google search news about company activities, company announcements, new projects, public hearings, phase releases (new units released to the market), new hires or promotions. Google search the advertising of new projects, selling or renting of units and identifying the broker or developer.

## **Get a Development Internship**

An alternative, if you are finding that landing a job is a challenge, offer yourself up as an intern for a brokerage or development company, with the express purpose of gaining brokerage or development experience, or at least that's how you should communicate it to them. You may have to work for free or at very low cost to the company, as they will be very sensitive to cash flow and costs. The all are!

## **Get a Mentor**

This is the single most important part of the advice in this article. A mentor could be someone you work for at a company, a senior broker, project manager, or VP of asset management or development. It could be someone you intern for, or just an individual that you have met and attracted into your network.

Know this: that person is worth their weight in gold, and can be the primary person that you run things past or ask questions as you move through your day. They can help you move up rapidly, and avoid pitfalls in your career. CRE Brokerage and/or Development is a complicated business, the more knowledge you can acquire with more your velocity improves your ability to increase your income.

Personally, my early and best were when I would be tasked with managing a project (or part of it) and could, at the end of the day, ask a TON of questions about how to do it, what happened, what went wrong, what could be done better, and what could be done better than anyone else. I used to hang with a very seasoned broker in Los Angeles where we would be in the car together for 1-2 hours often. That poor guy got squeezed dry like a sponge by me for knowledge and information. He and I still laugh about it today, but that was the best learning I ever did. I have made a point over my career to ask questions all the time, to everyone I can. You'll learn to ask them professionally as you hone this practice. Be open to learning for your entire career, as the speed of change in all markets today demand constant and never-ending competitive learning practices.



# **WHAT DOES IT TAKE TO SUCCEED** in Commercial Real Estate?

## **Give yourself plenty of time to build your career**

One caveat, building your career will take time. CRE Brokerage and Development is a complicated and a risky business; there are many facets to what we do daily, and you want to give yourself the time to thoroughly learn as much as you can. Mistakes in CRE can be truly costly. Think of Malcom Gladwell's 10,000-hour principle, that it takes this amount of time to become "expert" at something.

Be ambitious, be strategic, move first, move fast, persist.

## **So Again, What Does it take? Interest and/or basic skills in...**

1. Finance and Accounting
2. Construction, Architecture, Engineering
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5. An Eye for Details
6. Competency in Arithmetic
7. Competency in Law
8. Love for Land and Buildings
9. Passion for Helping Others
10. Communication Skills: Oral and Written
11. Networking Ability
12. Negotiation and Conflict Management Skills
13. An Affinity for Computers and E-Commerce: where our knowledge base is located and utilized.

We pray that you will be led into your God-given destiny, where your unique gifts will be maximized for community transformation, wherever your journey may lead.