



Taking on More Prominent Financial Roles

By Stephanie Pearson

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SAN FRANCISCO—More women in the **commercial real estate** sector are blazing a path to the executive suite than ever before, as they continue to branch out into roles traditionally dominated by their male colleagues. This shift, which has become markedly noticeable in recent years, has positive implications for the industry as a whole.

As an executive search professional who specializes in the real estate industry, it has been my experience that this diversification of women's roles in the workplace has occurred because of an overall cultural shift in the US.

In the meetings and interviews over the years of my search practice, I have discovered that many women who have found success in male-dominated sectors of the industry were encouraged during their childhoods to engage in a broad range of intellectual pursuits, with no restrictions in place to put a damper on their future career aspirations. For example, a proud achievement of mine is the recent placement of two women with engineering degrees. In the case of one female asset manager whom I placed last year, she credits her father with being instrumental in shaping her perspective about what was available to her from a career standpoint. She was raised without any limits regarding what educational path she should follow and ultimately chose to get a degree in engineering—the same field in which her father worked.

On the institutional side, higher education is no longer thought of as an anomaly for America's female students. It seems we are seeing more young women graduate with master's degrees in real estate development and MBAs than ever before.

Naturally, then, the commercial real estate industry has begun to see more females moving into other sectors outside of sales and marketing, which has traditionally attracted the largest concentration of women. For example, females now regularly make up a third of the attendees at the capital raising conferences that were once primarily filled with men. And on the job, they are posting the same impressive numbers as their male counterparts. Indeed, it is in the financial sector where I have seen the largest influx of females moving into more prominent roles. Additionally, the multifamily industry has experienced an increase in the number of women ascending into high-level positions in recent years.

I have watched this diversification in the real estate industry unfold first-hand. All told, more than 35% of my placements have been women over the past three years. And last year, 40% of my placements were women. These female executives have moved into positions that include CFO, Managing Director, VP, National Director of Research and Regional Director of Finance.

However, though more women have been reaching new career heights in recent years, a seat on the board still remains largely elusive for female executives in all sectors of the commercial real estate industry. For instance, the Commercial Real Estate Diversity Report published earlier this year shows that only 10.2% of board seats among 175 REITS were held by women at the time of the report's publication. All REITS included in the report are NAREIT members that were being publicly traded on the New York Stock Exchange or on NASDAQ at the

time the study was being conducted.

I am optimistic, though, that we will see a higher representation of women in the boardroom as we move forward into the future. As more females climb the corporate ladder, particularly in the financial sector, it is likely that an increasing number of women will earn a place in the executive suite. And that achievement will, in turn, make them eligible to go after that highly sought-after seat on the board. As pointed out in the aforementioned Commercial Real Estate Diversity Report, 62% of the 175 REITS in the study have at least one woman director, which marks a significant improvement from 45% in 2012.

ACHIEVING SALARY PARITY AS WELL

It is important that women continue to make headway in achieving salary parity as well. While I have never personally witnessed an instance of gender-based disparity in compensation, the statistics are disheartening. Though the wage gap has narrowed, many females are still earning less than their male colleagues in the real estate industry.

Research from the U.S. Bureau of Labor Statistics (BLS) shows that a significant earnings discrepancy still exists across various occupations in the real estate industry. Female property, real estate and community association managers made 78.2% of what their male counterparts earned on average in 2012, according to the report published by the BLS.

Separate studies commissioned by CREW Network took an in-depth look at men and women in the commercial real estate sector and found that women at the \$250,000 salary level rose slightly from 8% in 2005 to 11% in 2010. The research also showed that though the amount of men in this earnings category dropped several percentage points from 34% in 2005 to 31% in 2010, there were still nearly three times more men than women represented at the \$250,000 compensation level.

The wage gap continues to be an issue in the overall American workplace, however, even for those women who hold the highest positions in their fields. Female chief executives, for example, made 76% of what men earned in this same occupational category in 2012, according to the BLS.

The beauty of the real estate industry, though, is that there are women at the top who are truly making an effort to create a level playing field in their profession. They are serious about moving the needle on the issue of fair compensation, as well as working to advance deserving female talent.

CREW, for instance, teamed up with commercial real estate services provider

Cassidy Turley to develop an executive level mentoring program that launched in 2011. And the Urban Land Institute created the Women's Leadership Initiative several years ago. Part of its mission is to increase the number and visibility of women who serve in leadership positions in the real estate profession. Programs such as these are key for keeping the industry moving forward, as younger females can benefit greatly from the guidance of accomplished executives who have valuable knowledge to share.

Women who have climbed to senior positions in their fields of expertise can have a significant impact on other females in the industry by mentoring them. The aforementioned asset manager who I placed, for example, largely attributes her success in the new position to the supportiveness of her female boss. And the stories of triumph shared by these senior executives serve to show other women that these career paths are indeed attainable.

This positive effect can be further magnified by those women who have secured the coveted spots in the executive suite. Females in the top echelon have the power to profoundly influence company culture precisely because they are so much more visible throughout all parts of the organization. The way that person conducts herself and how she treats her peers and values her associates throughout the company becomes an immediate culture point, so she has the ability to bring about change that is beneficial to all genders at every level of her organization.

Females on the board or in the executive suite can also bring a valuable perspective to companies that have started marketing directly to female consumers, since they bring both business acumen and a personal understanding of that gender's preferences to the table.

Those in the commercial real estate sector need only take a look at some of the biggest corporations in the United States to realize the dramatic impact that female board members can have on a company's performance. The nonprofit organization Catalyst studied 524 companies on the Fortune 500 list across a five-year span and found that organizations with three or more women on their boards (for at least four out of the five years) dramatically outperformed those who did not have any female board members. They outperformed by 84% on return on sales, 60% on return on invested capital and 46% on return on equity, according to the findings published in 2011.

With concrete evidence that more female leaders in a company generally translates to better returns for all, it certainly makes good business sense to support the sea change that has been occurring as of late in the commercial real estate industry. Success, after all, knows no gender.

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