

| FEATURE ARTICLE

COMMERCIAL REAL ESTATE

A Hotbed of Entrepreneurship



COMMERCIAL STATE

To the general public, commercial real estate and entrepreneurship are virtually synonymous. But while the generally held image is that of a large, successful development or brokerage firm, as SIORs know, it takes a wide variety of forms in commercial real estate – not only in terms of the services performed or strategies employed, but in the size of the company, and even in what the individual perceives to be entrepreneurship.

One thing is clear, however: SIORs agree that their field will remain fertile for entrepreneurs, even in the face of large conglomerates that would seem to be made for the discouragement of individualism. Still, the most “pessimistic” prediction, which came from Jerry Fiume, SIOR, CCIM, senior account executive, NAI Cummins Real Estate in Akron, Ohio, was far from bleak. “It would be hard for our group to be in a ‘corporate setting’ given the flexibility and nimbleness with which we operate,” he says. Still, he predicts a “positive trend” overall.

Visions Can Vary

While there is common optimism about the future of entrepreneurship, many SIORs have differing visions about exactly what it is, and why commercial real estate is such a fertile ground for its growth.

“To me it is really about individualism,” says R. Scott Martin, SIOR, executive vice president of NAI Capital in Pasadena, Calif. “It’s about how you as an individual can take your idea and flourish, make it contagious, so people use it or see it, and build wealth from it. And most people who are entrepreneurial have a passion for self-fulfillment; that’s important.”

“A true entrepreneur is a visionary and risk taker who has the courage to pursue a dream, the fortitude to overcome obstacles, and the endurance to stay

true to the course,” adds Tere Blanca, SIOR, president and CEO of Blanca Commercial Real Estate in Miami. “Expanding on that, entrepreneurship not only involves a spirit of adventure and resolve, but also requires the ability to lead, motivate, attract, and retain creative new talent that shares the company’s vision and core values and the skill to prioritize, manage, and continually evolve.”

“Entrepreneurship to me is being accountable to make something happen,” says Fiume. “I like being responsible for a project that is in my circle of influence; being creative, diplomatic, and visionary to see what the end result of the project should look like.”

The Lure of Real Estate

What is it about commercial real estate that draws entrepreneurs? “Commercial real estate is uniquely exciting and rewarding, as ultimately you’re helping to define and shape cities,” says Blanca. “Commercial real estate connects you to the community in a real and meaningful way, affording the opportunity to work on significant projects and impact community dynamics.”

She adds that the entrepreneurial spirit also is attracted to the “adrenaline-generating” nature of commercial real estate: the fast pace, high-level strategizing, and critical negotiations. “Every day brings new engagements, new opportunities, new learning, and new platforms to help others succeed,” says Blanca. “Add to that the fact that in our CRE services industry we’re mostly compensated on contingency, and you have a competitive entrepreneur’s dream!”

“There is freedom in our industry — as much as you can win, you can actually lose, so that keeps people true to themselves,” adds Martin, “But the ultimate thing is the ability to generate wealth – from the true sense in a business

perspective. You can amass nice money on a year-to-year basis, but true wealth is earned by the practice of what many SIORs do.”

What Martin is referring to is getting into your own deals as well as helping clients. “Maybe only two, three, or four people in each brokerage house do that, but I bet 100 percent of those would be SIORs,” he asserts. “That’s part of the camaraderie of the group. Last week we were looking at a deal in South Carolina; I knew little about the area, so I sent it to Bill Burgess, SIOR, CCIM, and he said ‘Let’s buy this thing together.’”

“I came from a commercial development background prior to entering the brokerage arena,” Fiume shares. “My background gives me the experience to be creative to get deals done, as compared to how a traditional broker would look at deals. My background lends itself to entrepreneurial behavior.”

That Entrepreneurial Feeling

Beyond the attractiveness of the field to entrepreneurs, SIORs note specific professional activities that personally make them feel most like an entrepreneur. “I am a pretty good idea guy; I generate an idea and try to see it to fruition,” says Martin. “In the bricks and mortar sense I identify property, see what it could be, and then identify a buyer to help create that vision.”

For Fiume, the rewards come from “Finalizing the details of a deal in a way that others aren’t aware of, or done in ways that others wouldn’t think of.”

“Commercial real estate offers ongoing opportunities to think outside of the box, to find creative solutions for our clients,” adds Blanca. “For example, I greatly enjoy taking a deep dive into our clients’ goals and objectives, helping them find the right space that meets their unique needs while supporting their businesses in ways they never imagined possible. I thrive on making the ‘impossible’ come

to pass.” Blanca says she also “loves” to recruit bright new talent, calling it “One of the entrepreneurial essentials I find most rewarding. We look for team members who share our core values and commitment to exceptional client service, and who have a ‘can do’ attitude and are creative solution-finders who don’t hesitate to forge new paths when necessary.”

Conglomerates Not a Threat?

Blanca does not see the advent of large real estate conglomerates as a threat to the growth of entrepreneurialism. “I believe they continue to be entrepreneurs, monetizing their investment, although in some cases there may be pressure to conform to the larger organization’s modus operandi,” she says.

“With Blanca Commercial Real Estate, I enjoy complete independence and the ability to remain true to my vision, serving clients with the utmost transparency and the uncompromising commitment to excellence they’ve come to expect from us.”

Some of the smaller companies that have decided to sell, she continues, may have had drivers or reasons to which others are not privy. “In some cases, it’s an exit strategy,” she offers. “Regardless, the decision to sell/merge is entrepreneurial in nature. Many of these professionals end up starting new ventures all over again when their contracts expire.”

“It all has to do with the culture of a company,” says Martin. “In certain company cultures they cultivate and bring in the very entrepreneurial brokers and give them a lot of freedom. But in some national companies you have a specialty, a niche, and that’s what you do, with a very laser focus through corporate culture. So, it’s not size as much as culture.”

Regardless, he remains optimistic about the future of entrepreneurialism in commercial real estate. “I have interviewed a lot of college folks,” he shares. “Ten years ago they wanted to create a new app or software and hit it big; now most have re-recognized our industry and the freedom we have, and they seem to show a willingness to work hard. They understand about building relationships, and the time and commitment it takes to start and grow an entrepreneurial business. That’s exciting, and I hope it will bode well for the future of our industry.”

Martin’s enthusiasm is also buoyed by the diverse expertise that SIORs offer. “Many of us have the vision to take land sites and see what they can be in the future, while others have the foresight to help companies streamline and become more efficient; that’s what makes us unique and flourish,” he offers. “You can’t just read that in an article – you need a trusted advisor.”

“Although I can’t speak for other entrepreneurs, we see the emergence of technology as a significant positive and a powerful tool to better serve clients,” says Blanca. “Technology enables us to access and analyze data in advanced new ways and to perform from leading-edge platforms. Also, in light of recent sales/mergers, there may be some talent fallout creating a pool of top-level talent looking for a better fit.”

“All of the easy deals were done in the 1950’s and 60’s,” notes Fiume. “The land that is left generally speaking requires creativity to develop in this day after taking into account all of the governmental ‘police powers.’ ♥

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