

# 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 unjustified 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, however there is always room for excellence, because that’s always in short supply. The company that hires you will spend a lot of time and money training you, During which time, you must be able to sacrifice present security in some facets, in order to better secure a stable future in the industry. It is a world with its own unique language, lifestyle and culture. There are many avenues one can travel in the CRE industry, some of which are described below. It is both a Anybody preparing for a career in Commercial Real Estate must be able to withstand turbulent times, as the Commercial Real Estate industry experiences its normal ebbs and flows. You have probably heard how tough it can be, and its true. It can be a lot all at once, as you ride from peaks to valleys on each transaction, project, or property. A Commercial Real Estate career is not for the faint of heart or those who seek instant gratification. There is no magic get rich quick scheme.

## 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. APG Advisors 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 APG Advisors, 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:

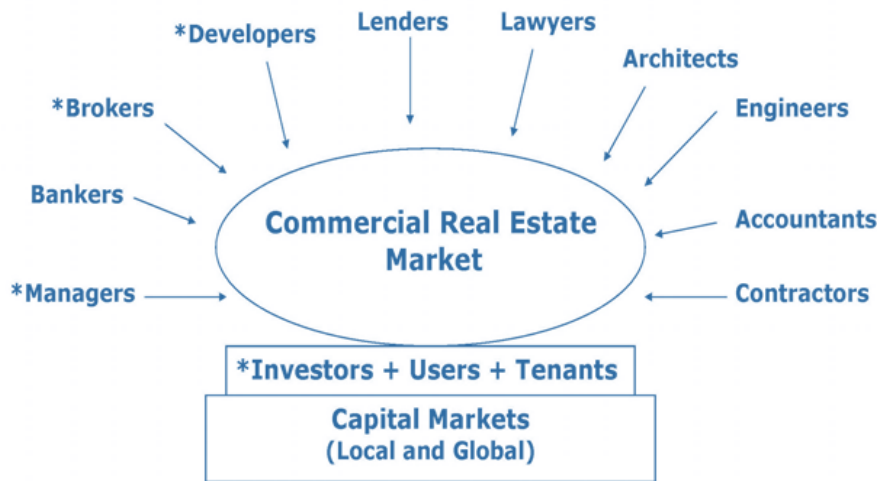
1. Never ending challenges: It is fun if you have the right attitude!
2. Tangible results of your work: You get to see buildings grow, tenants hire, and land uses change
3. High income potential: Big deals can equal big bucks
4. Wealth building potential: Many of the world's great fortunes are made from 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
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

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.

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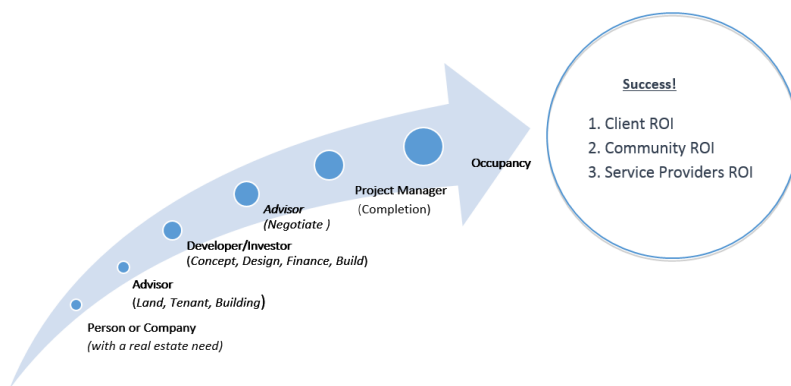


## WHO MAKES UP THE COMMERCIAL REAL ESTATE BUSINESS AND MARKET



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 APG Advisors 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.