

# Finding Tomorrow's CREF Professionals

— by JAMIE WOODWELL —

**A job forum in Washington, D.C., helped college students learn more about the commercial real estate finance business. The Mortgage Bankers Association helped bring together the companies and the students.**

**W**hat do you get when you mix 12 commercial real estate finance (CREF) firms, seven universities and 200-plus college students? ¶ How about a wildly successful evening of promoting careers in the \$2.4 trillion commercial/multifamily real estate finance industry and finding tomorrow's mortgage banking professionals. ¶ That's what happened on Oct. 1 in Washington, D.C., as the Mortgage Bankers Association (MBA) and its member firms hosted the inaugural CREF Careers Forum. ¶ The event was the brainchild of MBA's Commercial/Multifamily Human Resources (HR) Roundtable. The roundtable, which began a little more than two years ago, is a forum for HR professionals from commercial/multifamily real estate firms to come together and hear from outside experts, discuss issues with peers and share best practices.

The idea for the CREF Career Forum surfaced at the group's meeting in May 2013 and, after just four months of intense planning and preparation, it became reality in October.

### **The event**

E.J. Burke, the Mortgage Bankers Association's (MBA's) chairman, and executive vice president—group head at KeyBank Real Estate Capital, Cleveland, stood before a group of more than 200 students from seven Washington, D.C.–area universities and introduced a panel of industry leaders.

The panel included Daniel Cunningham, senior vice president, PNC Multifamily Capital; Jeff Day, chief executive officer, Berkeley Point Capital LLC; Pattie Farrell, managing director, Wells Fargo Multifamily Capital; Nancy Ferrell, senior vice president—managing director, NorthMarq Capital; Mike McRoberts, managing director, Prudential Mortgage Capital Co.; Jeff Majewski, senior managing director and chief operating officer, CBRE Capital Markets.

“When I was a student, there wasn't anything like this,” Matt Cypher, director of Georgetown University's Real Estate Finance Initiative in Washington, D.C., told the students.

“It's a great opportunity for you to place where you fit within the broader capital markets. It's a tremendous opportunity that I think is very unique, and we are very proud to be hosting it here at Georgetown.”

The students were in store for an evening of information, insights question-and-answer sessions and career tips.

First, the industry leaders shared their experiences and helped the students understand just how large and dynamic the commercial/multifamily mortgage banking industry is.

Next, students heard about “real life” in the commercial real estate finance business from a group of their future colleagues—young professionals ranging from producers to analysts to underwriters to special asset managers.

Then, a group of recruiters offered tips on how to get into the industry and how to make the most of one's time once there.

The evening ended with a reception and job fair, during which students met the speakers and spoke with recruiters about internships, jobs and careers in the industry and at the sponsoring firms.

How engaged were the students? After more than two hours of panels and another 45 minutes at the reception/job fair, students would not leave. The job fair was extended an additional 40 minutes to give everyone—students and recruiters alike—more time to meet, share résumés and discuss the future.

### **The idea**

In April 2013, a group of human resources professionals from MBA's commercial/multifamily real estate finance member firms—MBA's Commercial/Multifamily HR Roundtable—came together at MBA's headquarters in Washington to discuss a range of issues facing HR professionals. They talked about everything from commercial real estate market fundamentals to training and education to the Affordable Care Act. Also covered was a presentation and discussion centered on university real estate programs.

Specifically, participants talked about the search for young talent, a push for greater diversity and a need to fill in the junior ranks of industry professionals.

Sharing perspectives was helpful, but the group decided it

wanted to do something tangible to address the issues. Out of that commitment came the CREF Career Forum. The forum's mission: to promote the \$2.4 trillion commercial real estate finance industry among students (particularly undergraduate students).

On behalf of its Commercial/Multifamily HR Roundtable, MBA staff reached out to a group of Washington, D.C.–area universities, including The American University, George Washington University, Georgetown University, George Mason University, Howard University, Johns Hopkins University and the University of Maryland. All of the schools agreed to promote the event among their students. Georgetown University's McDonough School of Business stepped up to host the forum.

Twelve commercial/multifamily real estate finance firms—Arbor Commercial Mortgage LLC, Berkadia, Berkeley Point Capital, CBRE Capital Markets, HFF LP, KeyBank Real Estate Capital, NorthMarq Capital, PNC, Prudential Mortgage Capital Co., Red Capital Group LLC, Walker & Dunlop Inc. and Wells Fargo—agreed to sponsor the event and to provide speakers for the sessions.

Using university contacts, social media and materials designed by MBA's marketing group, students began to receive a steady stream of emails and other communications about the event. As the Oct. 1 event drew near, registration grew to more than 300.

The initial emails, posters and other outreach that went to the targeted universities accomplished the goal of putting commercial real estate finance on the map as a potential career path. But having an actual event—something to promote and draw students together with industry professionals and recruiters—elevated the outreach from intangible marketing to an actionable message.

And the fact that seasoned industry leaders, rising industry professionals and knowledgeable industry recruiters would all be there to share contacts and insights made the event a home run.

Many of the forum's sponsoring firms already have been in touch with students who attended. Some have brought in attendees for interviews.

Building on its 2013 success, MBA's Commercial/Multifamily Human Resources Roundtable is already at work planning its next steps. The details haven't been nailed down yet, but the plan is to build on the CREF Career Forum's success to help bring the industry's future a little bit closer to its next generation of executives.

To get a feel for the actual interaction that took place, the following are selected sound bites from participants.

### **Industry leaders' panel**

“This concept originated at the MBA Commercial/Multifamily Human Resources Roundtable. We want more students to consider the \$2.4 trillion commercial real estate finance industry as they choose their career. Bringing the mortgage banking industry together for an event like this is the type of thing that MBA does best,” said MBA Chairman Burke.

“Commercial real estate finance is tangible. It's something you can touch. That's what attracted me. . . . I could go to a piece of commercial real estate and think about all the things going on with that property. There's a great balance of analytical thinking as well as people involvement,” said Prudential

Mortgage Capital's McRoberts.

"You are going to learn analytical skills, which you can take with you in any type of career," said NorthMarq Capital's Ferrell. "You also are going to learn negotiation skills and structuring skills—creative thinking in how to get a deal done. That's my favorite part about being on the production side. I actually have two clients, my real estate developer and my lender, and I have to make both of them happy. It's fun to figure out how to put that deal together."

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"When you're looking at an asset . . . from a finance perspective, you get to know more about that asset and that owner than anyone else that is touching that asset. We have to understand the operations of the property, how it is positioned in the marketplace, why tenants are there, and—oh, by the way, how it is capitalized. Then you have to go to the lenders and [explain] why this is a great deal based on all that you know about the asset," said CBRE Capital Markets' Majewski.

"I was interested in Latin American development," said PNC Multifamily Capital's Cunningham. "I realized that in order to do development work, you don't have to go abroad. There are so many opportunities in what we do. It combines the desire to sell, the desire to compete, the desire to win, but also the intellectual challenge of structuring deals."

"What I find really interesting about this business is being exposed to a lot of people—from owners, managers, [to] loan committees—making risk assessments. You are talking to appraisers, engineers, environmentalists. Everyone is asking, 'Is this a sound piece of real estate?' The whole aspect of it, from the financing to the bricks and sticks to the relationships, you have to find [a] way to make good risk assessments and good deals," said Wells Fargo's Farrell.

"We've hired 52 people in the last 12 months. We have a very robust training program. The most rewarding thing for me is to see the time and the money we invest in training and advocacy and mentoring, and to see these young people blossom," said Berkeley Point's Day. "It is as important to pick the right company to work for, and the right person to whom you will report, as it is to pick a career. In your first five to 10 years, that will have as big an impact on your success as what you are actually doing at the time."

#### **Colleagues panel**

"A lot of people I've met have been really forthcoming, letting me in and giving me an opportunity to learn. Some underwriters do more affordable housing, others will do more

seniors [housing] and Alzheimer's-care housing. Oftentimes there will be complex issues that have to be overcome. That's what I am really excited about learning in my field—stepping into that role where I can singlehandedly underwrite a deal," said Ksenia Prokunina, a commercial mortgage underwriter with Wells Fargo Multifamily Capital.

"There is not a typical day in the life of an analyst. My job is to help understand why a deal is a good deal—why someone would want to acquire that building or why a lender should lend against it. The day-to-day [work] that I do [consists of] a lot of research, a lot of understanding of how many buildings are in the market, how much capital there is, who really wants to lend against this type of building," said Amanda Gross, research analyst with HFF. "One of the things that really drew me to real estate specifically was the opportunity to really interact with all of the types of real estate professionals in the market."

"You are learning as you go," said John Cunningham, assistant vice president at Red Mortgage Capital LLC. "It's up to you to gain that product knowledge. Whether you are going to go into underwriting or originations, you need to know all the products you are selling. Are you going to go that extra mile and learn how to do it, or are you going to sit back? I was told by an originator early on: 'This is a solution-based business. It's not about saying no to deals, it is about finding what works.'"

"Just like there are no two deals in real estate that are exactly the same, there are no two days [in the real estate finance business] that are exactly the same," said Jay Healy, vice president with Berkadia Commercial Mortgage. "I can come in and get on the phone with a zoning officer from Westminster, Colorado, to talk about a building that is a non-conforming use, then get on the phone with an appraiser, and then maybe get on the phone with a client and talk about a \$50 million acquisition deal or an engineer to talk about underground storage tanks. Each deal has its own set of issues that require a unique set of solutions."

"The special asset management group, and in particular loss mitigation, [requires] the culmination of all your skill sets. If you are analytically driven, you understand the deal—but you also have to have a high social IQ. If you are dealing with a borrower who may be unsophisticated, you may already see that the path he or she is going down is a dead end. You have to be sensitive enough to . . . their ego as well as your role as the lender to ensure that you can guide them the right way. You may already see how to get the touchdown, but they don't," says Clarence Watson, associate, special asset management, with Berkeley Point.

#### **Recruiters panel**

"We hire about 15 interns every summer. Doing a great job in those internships can lead to staying on throughout the school year, and can also lead to full-time positions. Seeking out those internships is very important. And sending out your résumé, even if you don't know there is an opening, can

still lead to a position,” said Kiersten Fox, assistant vice president, human resources, for Walker & Dunlop.

“It used to be that the personnel department was a black hole—but we are super-transparent now,” said Amy Reynolds, recruiting manager, corporate and institutional banking, for PNC Bank. “We want to start a conversation with you while you are pursuing your education. The time to connect with us is early and often.”

“Anyone can write a resume, but you have to be very comfortable with what is on the résumé,” said Michael B. Wisniewski, senior vice president, human resources, for Arbor Commercial Mortgage. “The thing you want to do is set yourself apart from the competition, and that can be [through] very small things—something that will bring you a little extra attention. We look for people who are very confident, but also a little bit humble. It’s a balancing act—going the extra mile, working hard, paying your dues. That’s still something we look for, and managers look for, on our side of the business.” **MB**

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