Bullpen

Playbook

Ultimate Guide to Hiring Commercial Real Estate Experts

Preface

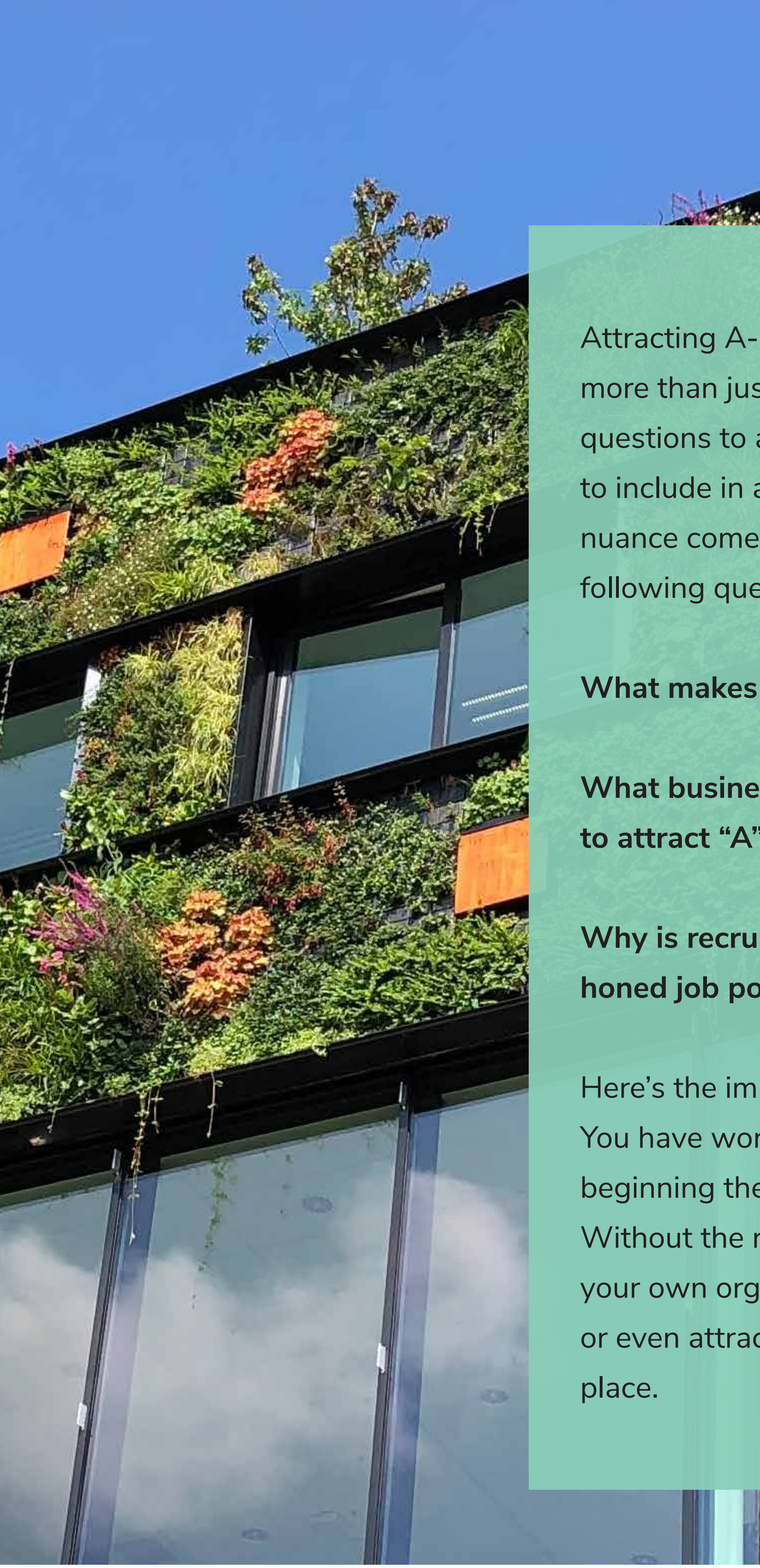
There are good employees, and then there are great ones. Commercial real estate “A” players are candidates with exceptional experience, talent, knowledge, and work ethic. They help companies close more deals, invest more effectively, and execute more efficiently.

Finding good talent is not easy, though, and finding “A” players is outright challenging.

In this playbook we’re sharing insights and expertise we’ve gained over the course of sourcing and placing numerous commercial real estate experts across investment, development, brokerage and lending.

Through this playbook, you’ll gain strategic and tactical knowledge that will help you organize for your next hiring push, source “A” player candidates, identify top candidates when you see them, and sell “A” players on joining your team.

Optimize your business to attract "A" players



Attracting A-players to your team takes more than just knowing the right interview questions to ask and the proper keywords to include in a job board posting. The nuance comes in the answers to the following questions:

What makes “A” players so special?

What business infrastructure do I need to attract “A” players?

Why is recruiting without a perfectly-honed job posting a waste of effort?

Here’s the implication of these questions: You have work to do before even beginning the candidate sourcing process. Without the right foundation set up within your own organization, you’ll fail to retain–or even attract–“A” players in the first place.

What is an “A” player and why do I need them?

TL;DR: “A” players are employees who are force multipliers in your business. They are far more valuable at growing your business than low-cost, virtual assistants.

The Peter Principle is a classic business concept that says 20% of effort drives 80% of results. By the same token, the top 20% of your staff are responsible for a disproportionate amount of success.

An “A” player is an invaluable part of a team. They understand the broad vision of the business and architect their daily tasks to push the business forward. “A” players are worth considerably more to the business than their salary.

A common mistake that young real estate firms make is prioritizing low-cost support over hiring “A” players. A $5 per hour international virtual assistant might add a little capacity to your day, but they won’t be able to own major business functions like well-paid “A” players.

Develop a clear job description

TL;DR: Don't even consider reaching out to candidates until you have a clearly articulated job description with buy-in from your stakeholders.

There's no mincing words: If you don't have a crystal clear job description in hand, you aren't ready to hire. Beyond the role itself, determine how the new employee will fit into your organization, and how you will measure success. Here are three crucial points to consider:

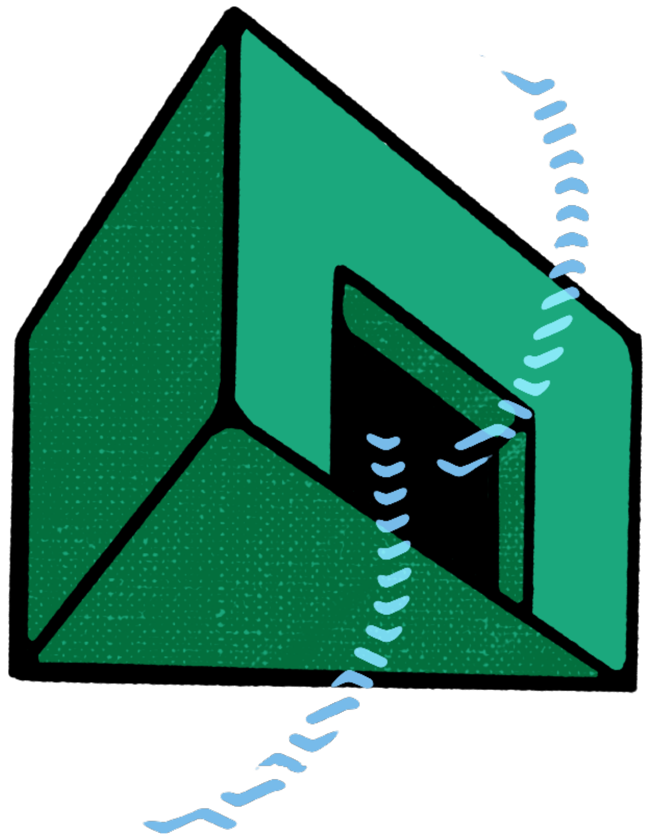
A no-nonsense job description

"A" players can tell when a job description is full of flowery language and inaccurate or misleading descriptions of roles and responsibilities. Copy and pasted job postings with too much fluff or corporate jargon are red flags for high-quality candidates.

Instead, focus on crafting a job posting that uses short and to the point language, clearly explains the full scope of tasks and responsibilities, and informs the applicant of the roles they will be working with, reporting to, and managing.

Stakeholder alignment

Be sure that each stakeholder, the people who will work with the new employee or be impacted by their performance, is in sync on what the position should include. For instance, if you're hiring a head underwriter, be sure your originators are fully aware of the role and what you'll be looking for as you work to fill it. There is nothing worse than a candidate inferring partially through the interview process that their future teammates are not aligned on what they are looking for.



Responsibilities and metrics

Ensure you have a clear organizational structure that describes not only who the "A" player will report to and what they will own, but also the entire web of responsibilities and accountabilities across the organization.

Part and parcel with this: clear metrics to let your new employee know where they are succeeding or where they may need to make changes. Establish both short-term and longer-term metrics for the role, and explain these metrics during the interview process.

Be clear on benefits and employee growth

TL;DR: know exactly what benefits and opportunities for growth and learning you'll offer ahead of time.

"A" players have options. They expect to work for organizations that recognize their value, or else they will find alternate employment. In addition to having their role crystal clear, you'll also need to make sure you have benefits and an HR function that is ready to support them.

Approaching "A" players with a low-ball mentality is a recipe for failure. When it comes to insurance, we've found success using Gusto's insurance offerings. Once you have more than five employees, Rippling and/or TriNet are Professional Employer Organizations (PEOs) that can efficiently provide insurance and other benefits.

"A" players will also require clarity on the upside opportunity at your firm. While everything doesn't need to be spelled out from day one, having something in mind for a promotion path, long-term vision for the employee, and any potential variable compensation such as deal participation will be very helpful to line up ahead of time.

You should also consider learning opportunities. How are you going to invest in your "A" player's career development, whether that is an allowance for their own classes, a formal mentorship program, or beyond?

A plan for hiring

TL;DR: For "A" players, even a fantastic role may not be worth an unpleasant application process.

When you are finally ready to hire for the role, be sure you are ready to execute the hiring process efficiently and respectfully. You need to know how you'll collect the information you need to make an informed hiring decision without becoming onerous for your "A" player candidate.

Consider each and every interviewee touchpoint

Have answers to all of the following questions before you begin interviewing.

1. How many contact points do interviewees have?
Is it only their future manager, or their future manager as well as an HR rep? More than that?

2. How many rounds of interviewing accomplish your screening goals but also send a positive message?
Research from Glassdoor shows that candidates are slightly more likely to accept offers after difficult interviews versus easier ones.

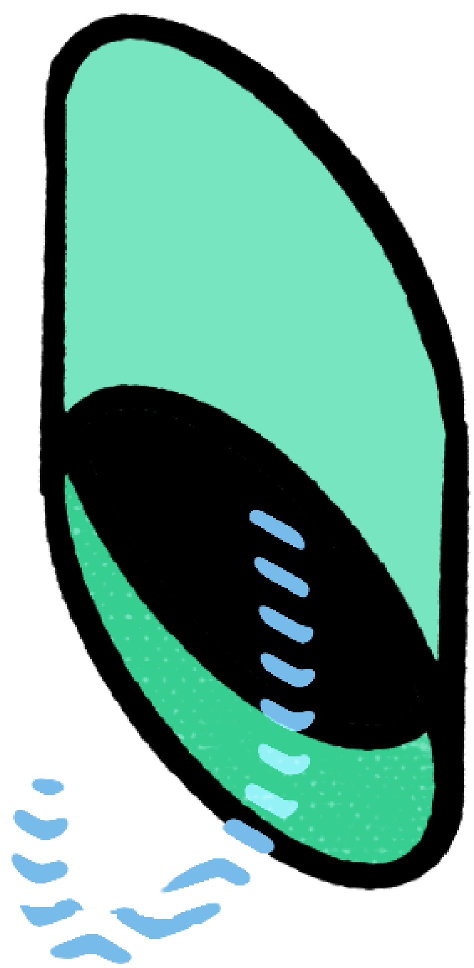
3. How long does the actual process take?
From resume submission to the "yes or no" how long will your applicants have the process in the back of their minds?

Keep things quick and simple

Across every step of the application process, be very sensitive to timelines. Across industries, HR professionals report an average of 60 days to fill a position with more time needed for senior roles. The time scale for the actual application itself (that is, the online submission of resume and other information), is much shorter. According to research from HR tech company Greenhouse, applications that take over 15 minutes to fill out lose the interest of over 70 percent of applicants.

While asking candidates to perform a test or case study is a good idea (and a cornerstone of our own freelance talent hiring process, as we'll discuss later), never include as part of the interview process real work assignments that you will use in the course of your business. This gives the appearance of taking advantage of your applicants.

Be sensitive to the time commitment that your test or case study takes. Our case study requires around two hours to complete. Going beyond this without any guarantee of a position could become difficult to stomach, even if the candidate is enthusiastic about the role.



Decide on the hiring approach that fits your business

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In the previous section, we addressed what decisions and preparation you need to make within your own company before you begin to look for an “A” player to join your team.

In this section we’re moving to the next step of the hiring process: Deciding how to actually execute the search.

First we’ll share insights on where to look for “A” player talent: Job sites, freelance networks and beyond. Then, we’ll talk about whether doing it yourself or outsourcing your hiring process is right for you.

Where to find high-quality candidates

Your network

Your network is the best way to find "A" player candidates. Between your own network and those of your team members and trusted partners, you likely have dozens of ex-coworkers, alumni connections, and other contacts ready to tap.

While you'll still have to screen and interview referral candidates, the entire process will likely be shorter and more successful at finding "A" players than going to a job board.

Recruiting firms

Recruiting firms are the second best way to find great candidates. Recruiters leverage robust (and proprietary) networks of talent to source top quality candidates on your behalf.

Using a recruiter is like hitting the "easy" button. They'll typically find you great candidates, but they are expensive.

Industry job boards

Industry job boards, exemplified by SelectLeaders, are places you can post jobs that are exclusive to the commercial real estate industry. As such, using a “real estate only” job board will remove some of the applicant noise that you’d receive on general job boards.

Nonetheless you will still need to develop a compelling job posting, screen resumes, and manage the entire interview process yourself.

Non-industry job boards

Non-industry job boards like LinkedIn, Indeed and Ziprecruiter offer exposure to a huge number of candidates across all industries and functions, making it easy to disseminate your job.

However, the quality of the applicants received on general job boards are typically lower than industry job boards.

Freelance networks

Freelance networks connect you directly with contract talent. These include sites like UpWork, Fiverr, and platforms like Bullpen.

UpWork and Fiverr are marketplaces for all types of talent. They can be a cost-effective solution if you have very specific work and an ability to actively manage freelancers, but you'll need to rigorously screen candidates yourself.

Bullpen is a dedicated commercial real estate-focused freelance network. Like a recruiter, we curate and handpick the top candidate for your role.

Should you "DIY" or use a recruiter?

The decision of whether or not to leverage a recruiter for your hiring needs comes down to the following questions:

What kind of position are you filling?

Candidates for high-skilled, high-responsibility roles are going to be harder to find than those for junior-level roles. Clearly define the type of role you are trying to fill:

1. What role will the new worker perform?

2. What level of expertise do you need? As a corollary,

how much time do you have to give them training and guidance?

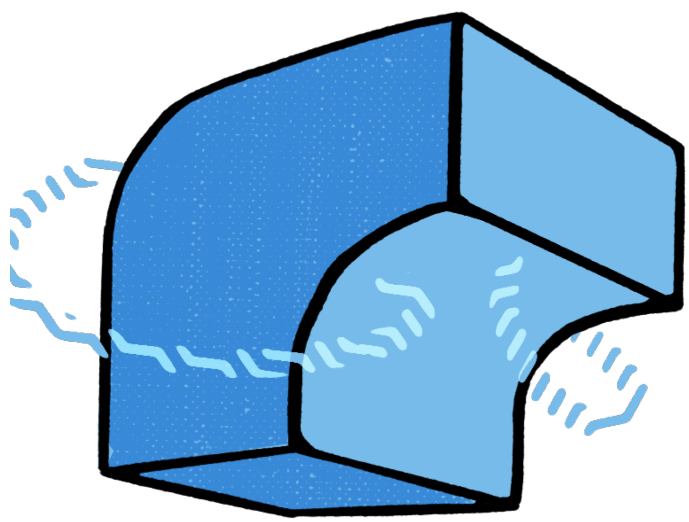
4. What kind of compensation package are you prepared to offer?

5. Who will they be working with? How would those people (their coworkers, managers and reports alike) answer these questions?

How much time (and attention) do you have?

The typical hiring process for skilled roles takes 3 to 6 months. If you have time to devote to reviewing resumes and interviewing candidates for the next few months, then doing it yourself might be an option.

Is talent sourcing your core competency?



Do what you're good at. Outsource the rest.

The hiring process includes the following:

1. Define the role

2. Find candidates

3. Review resumes and know what to look for as red (or green) flags

4. Plan interview questions; execute interviews

5. Follow up on references

6. Be able to “sell” the role you are offering

If you’re confident in your ability to perform each of these tasks, doing it yourself may be a great option for you. If you’re not confident in the above, outsourcing would likely yield better results.

What is your budget for this hire?

A recruiter costs money. Doing-it-yourself costs time. What do you have more of?

If you choose to work with a recruiting firm, expect to pay a fee of around 30% of the role’s annual salary.

For firms with in-house recruiting teams, the average “per hire" cost of recruiting is between $5,000 and $10,000.

For compensation by role, a useful benchmark to consider is the salary survey data of industry consulting firm CEL & Associates.

Much like every other decision you make as a real estate professional, the answer of the right place to source "A" players depends on what you're ready to do and what you ultimately want to achieve.

Identify top candidates in your interview process

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Is experience or skill set a better indicator of an “A” player waiting to happen?

McKinsey says that “Assessing candidates based on skills, instead of their last job title, can help fill critical roles with the best talent.” By way of example, Ryan Roslansky, CEO of LinkedIn, says a majority of food servers have skills that would position them well for customer service jobs, despite their lack of relevant job titles.

Relevant job titles, degrees, and certifications are a useful shorthand for likely expertise. However, from candidate to candidate you may find this to be a false signal.

Described below are some strategies to help you uncover top performers from your candidates, regardless of their backgrounds.

What to look for in a resume

Resumes should meet a minimum standard of polish but shouldn't be the sole determinant of whether or not someone should be interviewed.

More important than past experience, your hires must be a strong culture fit with your current team. If you know you want to hire a highly charismatic people person, don't worry too much about their GPA or the school they attended.

Resumes should be properly formatted, but it's the content that counts. Candidates should be disqualified for a particularly poorly written resume, but shouldn't be hired based on a particularly attractive resume design (unless you're filling a marketing or graphic design role).

You're looking for the resume to tell a story of consistent professional growth, but always remember the story behind the bullet points. If an otherwise attractive candidate only worked at a company for a short stint, or is making a career change, ask why.

Don’t rule out career changers for no reason. These professionals often bring a unique perspective to their new roles, if they have the technical skills to execute them. Hard skills can be taught, but perspective is difficult to train for.

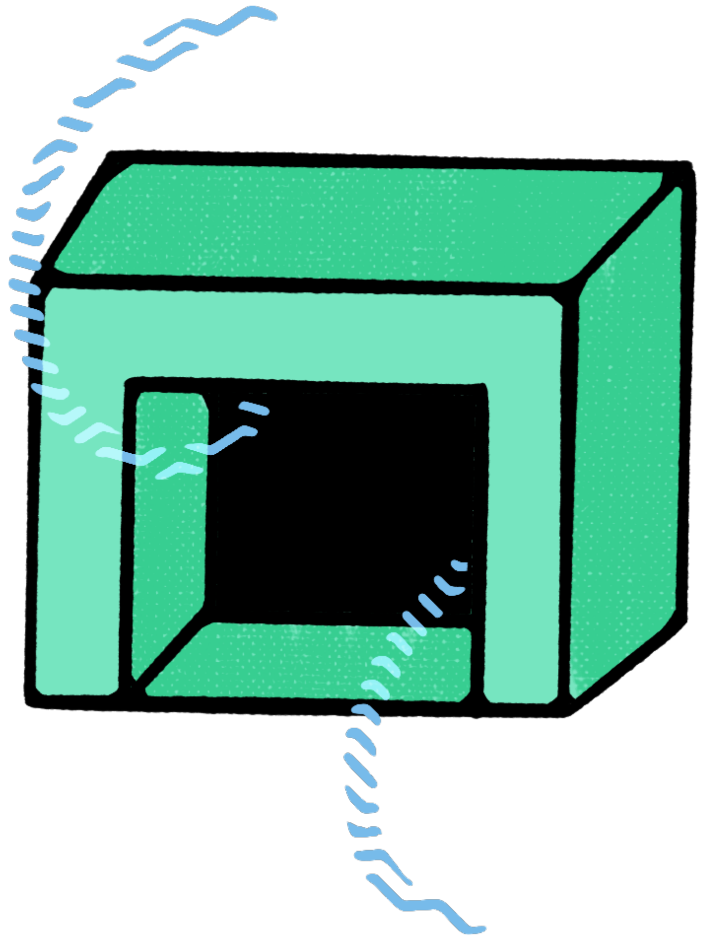
Interview questions to ask

Your job during the interview is to gauge the candidate’s people skills and fit with your team, as well as ask technical questions to help uncover their skill set.

Good interview questions don’t have yes or no answers, and they aren’t basic trivia tests either. If you’re hiring an entry-level analyst, you may be able to get away with “pop quiz” questions on general real estate concepts, but anyone beyond a year or two of experience may be put off by that kind of questioning.

Open-ended questions allow candidates to break down the wall of impersonality and give a glimpse into what motivates and challenges them.

Here are a few to get you started:



What role do you play in your social group?

Where would you say you gained most of your professional skills?

Tell me about a defining moment in your career.

More advanced real estate questions can give great insights into your candidates' technical strengths while also giving a rewarding sense of challenge during the interview. These are some of the ones we ask during our own interview process:

If your cap rate goes from 8% to 10%, by how much does NOI need to grow/shrink for value to remain the same?

If you had $100 million to invest in real estate, how would you invest it?

What is the value of a property with $10 million NOI at an 8% capitalization rate?

How to deliver a quality case study test

A case study is a fundamental part of the job interview for technical roles.

In fact, we've developed a proprietary, take-home case study that freelancers in our network are required to pass before they can be placed with clients. It works like this:

1. We email candidates an Excel template of assumptions and accompanying instructional PDF.

2. Candidates are required to return the case study within a reasonable amount of time, or the results are disregarded.

3. The case studies are scored on the work product's presentation and quantitative outcome. For our financial modeling case, candidates must calculate IRR and equity multiple within 10% of our results.

A case study can be customized to the type of role for which you're hiring. A few examples include:

- Brokerage Analyst: BOV analysis
- Investor Relations Associate: Equity offering memo
- Graphic Designer: One-page teaser

As we noted above, don't make your case study into free work for an actual project you're working on.

Red flags throughout the process

Here are a few red flags that should ring significant alarm bells.

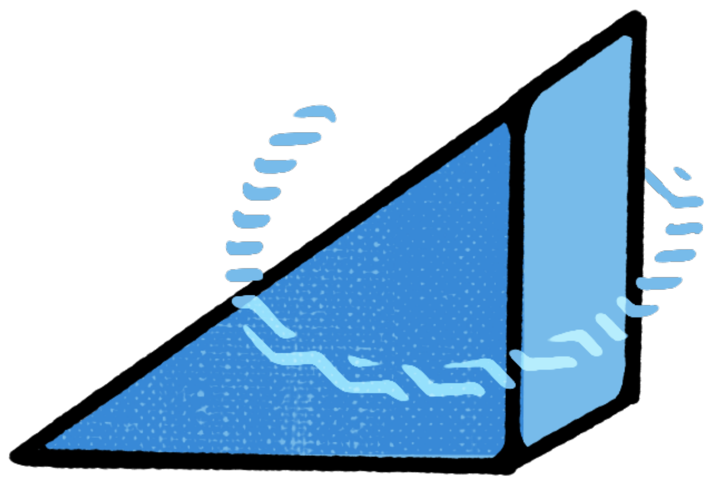
1. Candidates that are far off base on a multitude of technical questions

2. Candidates that speak negatively about past colleagues or companies

3. Resumes that demonstrate a lot of job-hopping without a clear explanation

4. Employer references that are not specific and highly enthusiastic

5. Comments indicating values that are clearly misaligned with your company's pillars



Sell your "A" player candidate on joining your firm

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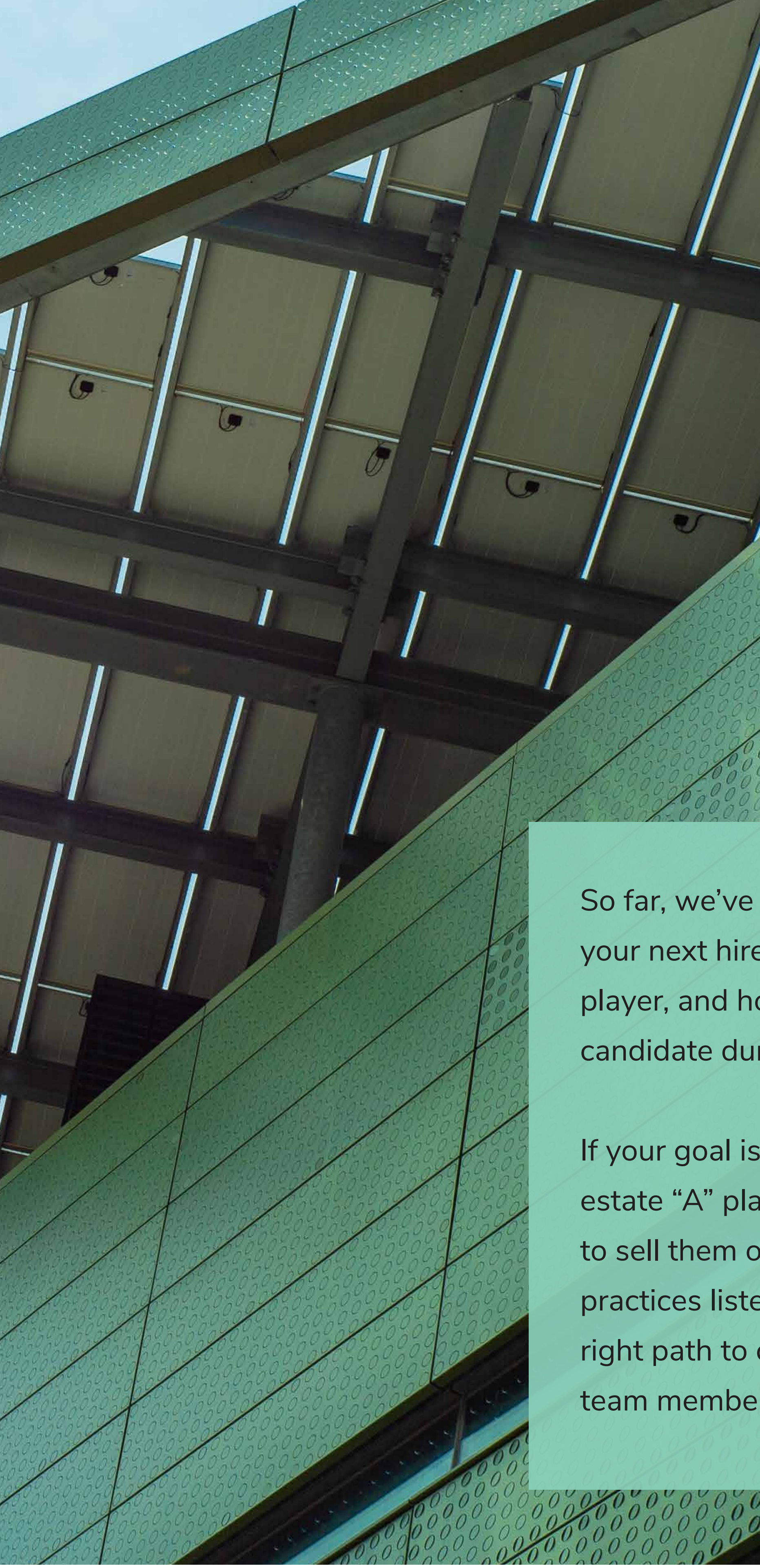


So far, we've covered how to prepare for your next hire, where to look for an "A" player, and how to detect an exceptional candidate during the interview process.

If your goal is to assemble a team of real estate "A" players, you also need to be able to sell them on joining your firm. The best practices listed below will set you on the right path to convert top candidates into team members.

Ask your candidates the right questions

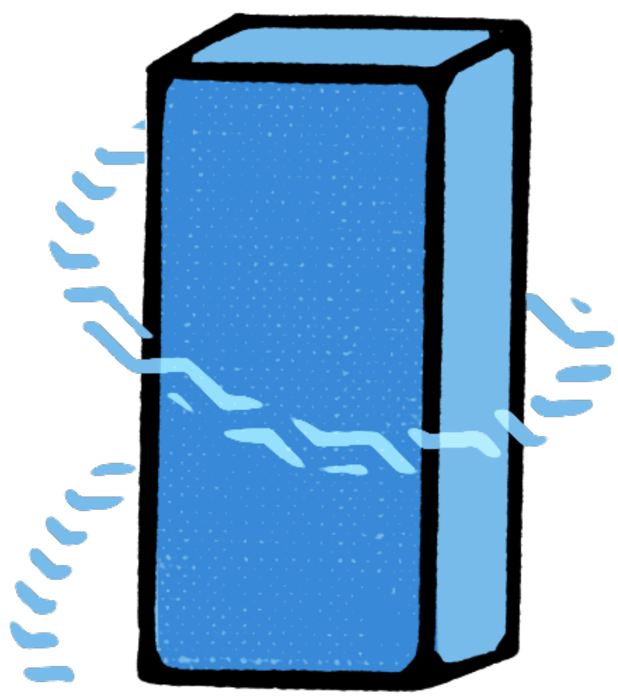
Beyond assessing the quality of your candidates, the interview is a chance to get to know what your future employee wants out of their job and their team.

Address their career aspirations

“A” player candidates in real estate roles have an ever-present opportunity to jump ship and start their own syndication groups, funds, or teams. Find out what your candidate is looking for, and then determine if it is something you can provide.

- A stable career trajectory or the fastest route to running their own deals?

- An opportunity to increase their real estate experience in a team setting or a fast-paced entrepreneurial role?



- A role that specifically improves on something they found lacking at their previous firm?

Make sure their aspirations are aligned with what you can offer, and then structure the role to align with their goals.

Find out how they want to work

Asking candidates directly whether they would rather work in-person or remotely may lead to inaccurate responses. Instead, ask probing questions about what they are looking for day-to-day in their job.

- Autonomy or a tight-knit team?

- Flexibility or predictability?

- Stimulation or relaxed work?

Offer sufficient compensation

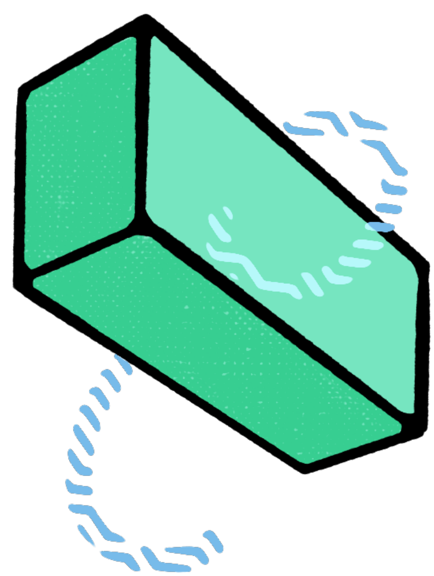
Start by understanding the figures in CEL & Associates' 2021 Real Estate Compensation Survey we referenced above, and get more nuanced from there.

Compensation beyond salary + bonus

If you expect to offer deal participation or a profit-sharing arrangement to your new hire, make sure it is carefully planned before you start interviewing for your role. Don't run the risk of offering generalities only to back out of what was promised later.

Does your role demand specialized experience or leadership ability beyond the median?

If you're working with specialized property types or highly complex financing structures, you may need to increase your compensation expectations.



Provide the benefits your candidates need

Research from Willis Towers Watkins found that [47 percent of employees] say retirement benefits are an important reason to join a company and 60 percent say they are an important reason to stay with a company.

Offering the right health benefits are also important. The same Willis Towers Watkins research also found that perks like mental health days and complimentary health screenings are highly valuable to job candidates.

As we covered in our section on setting up the right infrastructure before a hire, use tools like Gusto, Rippling, and Trinet when your company is too small to hire a full HR team.

Ensure your team is organized enough for a new member

"A" player candidates can read when a team is dysfunctional, poorly organized, or lacking culture. Preempt these negative impressions by ensuring your own team is organized and effective before even thinking about bringing on a new employee. Suggestions include:

- Keep track of your team's progress across multiple areas with communication channels like Slack and project management tools such as the simple Trello or more advanced, customizable ClickUp.

- Engage outside experts, such as sales mentors and leadership coaches, to refine your employees' skill sets and keep everyone learning.

- Invite your candidate to dinner to meet your team more socially once you've extended an offer.

Offer the right kind of flexibility for "A" players

Even if the rest of your offer package is highly desirable, friction between candidate working preferences and your team can doom a new hire from the start.

Workflows

If you're hiring for a mid- to senior-level role, don't force your new hires to adopt your existing workflows unless there is a good reason. Instead, make sure your candidates know you are open to learning from them and their expertise.

If you're hiring for a junior role, be open to hearing out the innovation and efficiency that a new generation of talent could offer your organization.

Location and scheduling

Have a direct conversation about your candidate's ideal working situation.

If an "A" player is passionate about a working arrangement that you are not prepared to offer, they might not be a good fit.

Provide a clear pathway to growth

Offering a clear growth plan can encourage "A" players to join and stay on your team instead of jumping ship when things get challenging.

Company growth

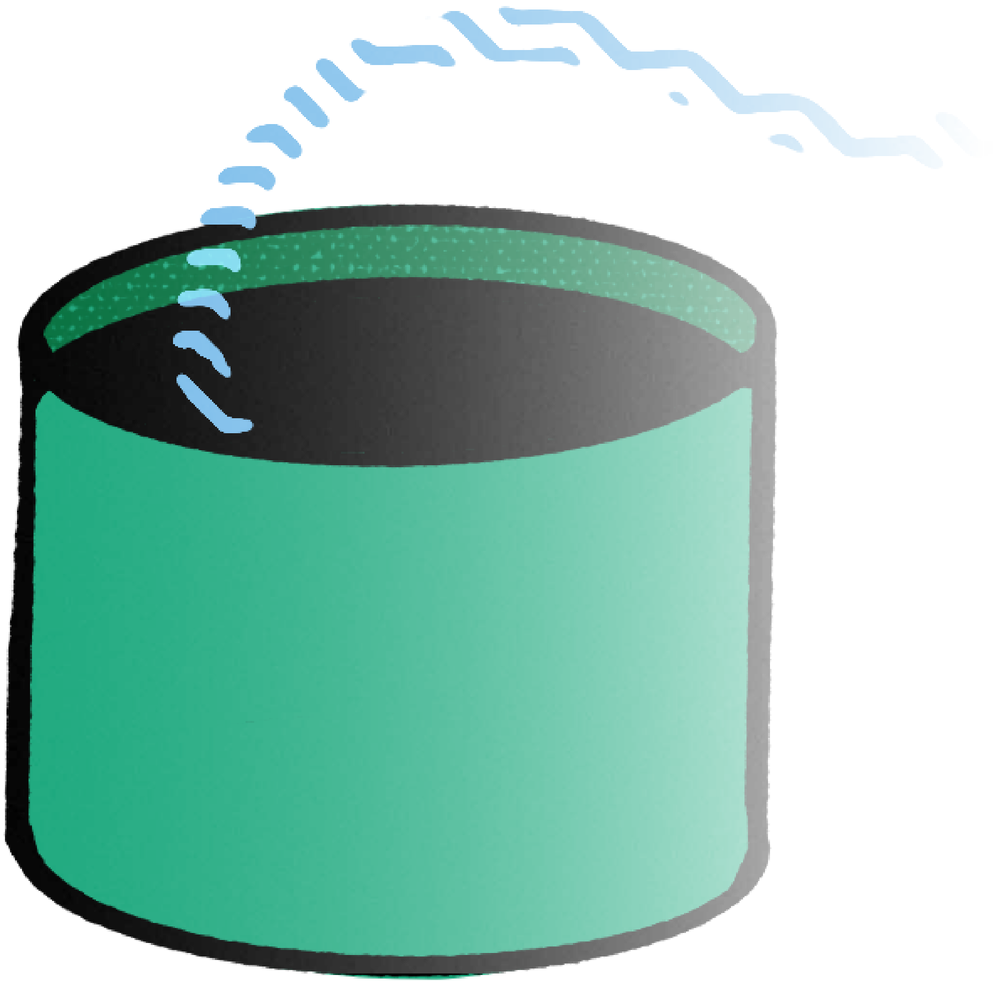
A company growth plan is a prerequisite to planning the advancement of your employees. Do you have well-articulated revenue, profit, and hiring goals?

Candidate career growth

When you're planning for your new hire, think about what you want the role to evolve into. Is there a pathway to seniority in the same functional area, or an opportunity for the right candidate to cross-train? Both could be attractive for top candidates.

Mentorship

According to research from Olivet Nazarene University, that 76 percent of employees consider a mentor important or very important. Does your organization have a formalized mentor plan or a senior employee willing to step in to help guide your "A" player candidate? If not, consider steering the candidate toward outside resources like ULI's mentorship program.



Conclusion

This playbook covers the four major points you need to ace to assemble a winning commercial real estate team. No two hiring scenarios are the same, but the principles we shared are best practices that apply to any situation.

As a final takeaway, many of the principles we shared relate back to a single point: Hiring "A" players is a two-way street. Finding best-in-class employees requires your team and organization to be best-in-class, too.

Learn more at bullpenre.com
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