



Women in real estate

**Setting the foundation
for meaningful change**



Building on our momentum

Real estate may be a traditionally male-dominated business, but the organizations that will succeed tomorrow will need to break the mold—by empowering women to break the glass ceiling.

Advancing women in the industry is an increasingly top-of-mind issue in real estate. Industry leaders are recognizing that good investment decisions in today's fast-paced and competitive marketplace require a

diversity of thought—ideas drawn from a broader range of experiences and perspectives. Meanwhile, socially conscious investors are demanding more diversity.

This paper, sponsored by KPMG's Real Estate practice in collaboration with the New York University Schack Institute of Real Estate, was inspired by a series of discussions with industry leaders about potential solutions to the problems female

real estate professionals face in breaking into the business, developing professionally, and moving up the career ladder.

This overview offers a point of view on the current state of women in the industry, what's changing now, and what it will take to drive greater diversity and equity in the real estate industry.

Women at KPMG: A record of progress



KPMG appoints Lynne Doughtie as chairman and CEO.



21% of KPMG's partners are women.

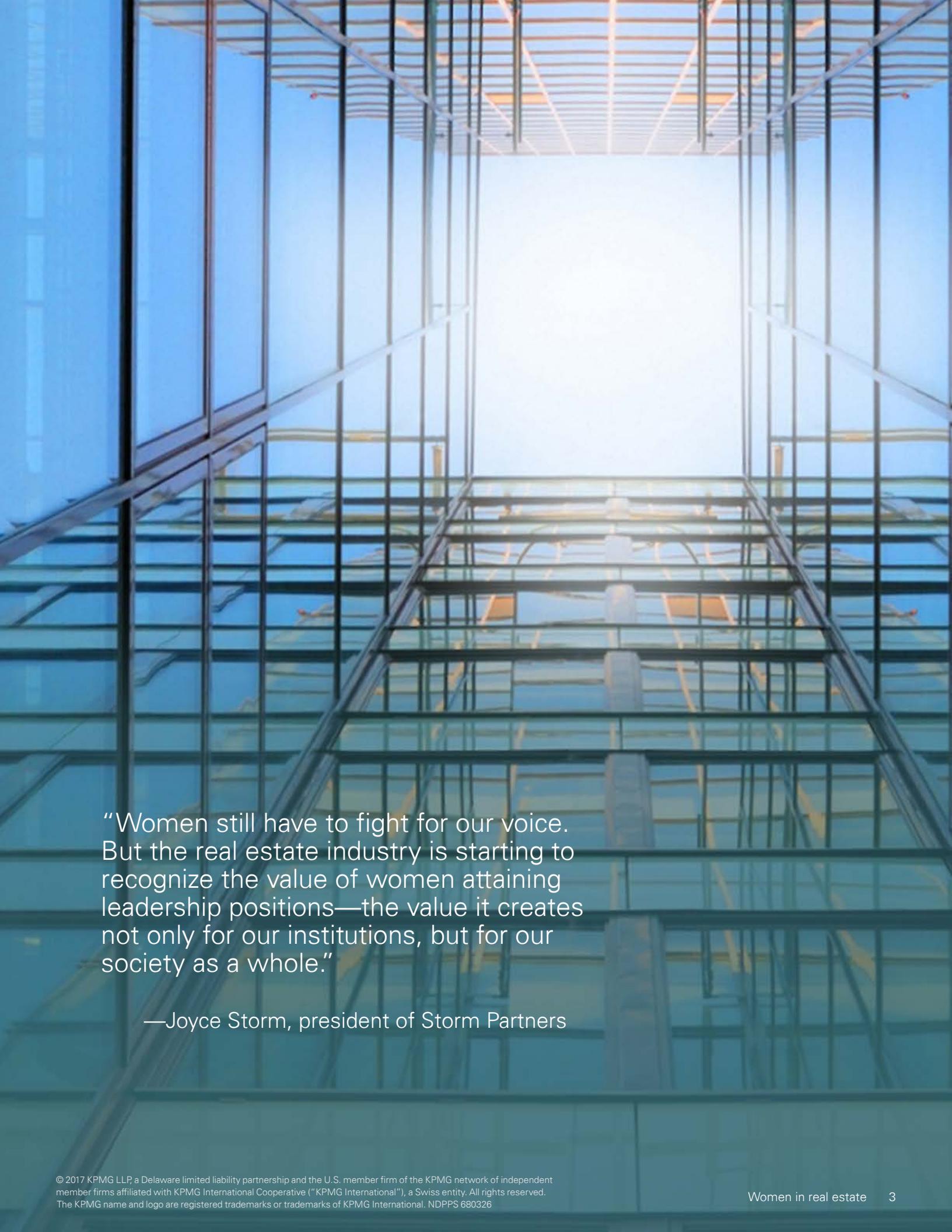


Women comprise 33% of KPMG's board of directors.



In FY17, more than 43% of promotions into and within management positions were women and nearly 45% of new hires were women.





“Women still have to fight for our voice. But the real estate industry is starting to recognize the value of women attaining leadership positions—the value it creates not only for our institutions, but for our society as a whole.”

—Joyce Storm, president of Storm Partners



Where we are now

KPMG's 2016 Women in Alternative Investments Report¹ revealed some surprising statistics about the gender gap in the industry. The findings indicate that the real estate fund sector is, in many ways, better positioned than other alternative sectors like hedge funds and private equity when it comes to supporting and developing female professionals. Yet hurdles remain.

Some key trends to note:

The spotlight is on diversity. According to one survey participant, the conversation about gender parity has grown in importance in the alternative investment (AI) space, including

within real estate funds. "We are no longer making the business case about why diversity is important. We are now talking about what we can do to change our numbers," said Kate Mitchell, cofounder of Scale Venture Partners.²

Women are advancing. Although only 6 percent of real estate funds represented in the KPMG survey are women-led, there is a higher percentage of women in C-suite and portfolio management roles than other alternative sectors, according to the KPMG survey.³ A key reason may be the increasing investor focus on diversity, which is causing more

women to be sought-after to run funds. "We have diverse investors, and they are demanding woman-run funds," said Kelly Rau, KPMG Audit partner for asset management.

Bold new initiatives are making a difference. Some institutional investors are structuring mandates in new ways to help mentor and groom recipients—including female recipients. "We're seeing more and more mandates put in place to push for emerging managers to be female-led," said Phil Marra, KPMG's U.S. Real Estate Funds leader.



Women in positions of power



Only 6% of the real-estate funds represented in our survey are women-led.

Additionally, fewer women in real estate sit on public/private corporate boards than other sectors surveyed.

26% of women in real estate surveyed plan to own their own company in the next five years.



Yet, there is a higher percentage of women in CIO/portfolio management roles (26%) than any other sector in our study. Additionally, 14% of women in real estate surveyed were CEOs.

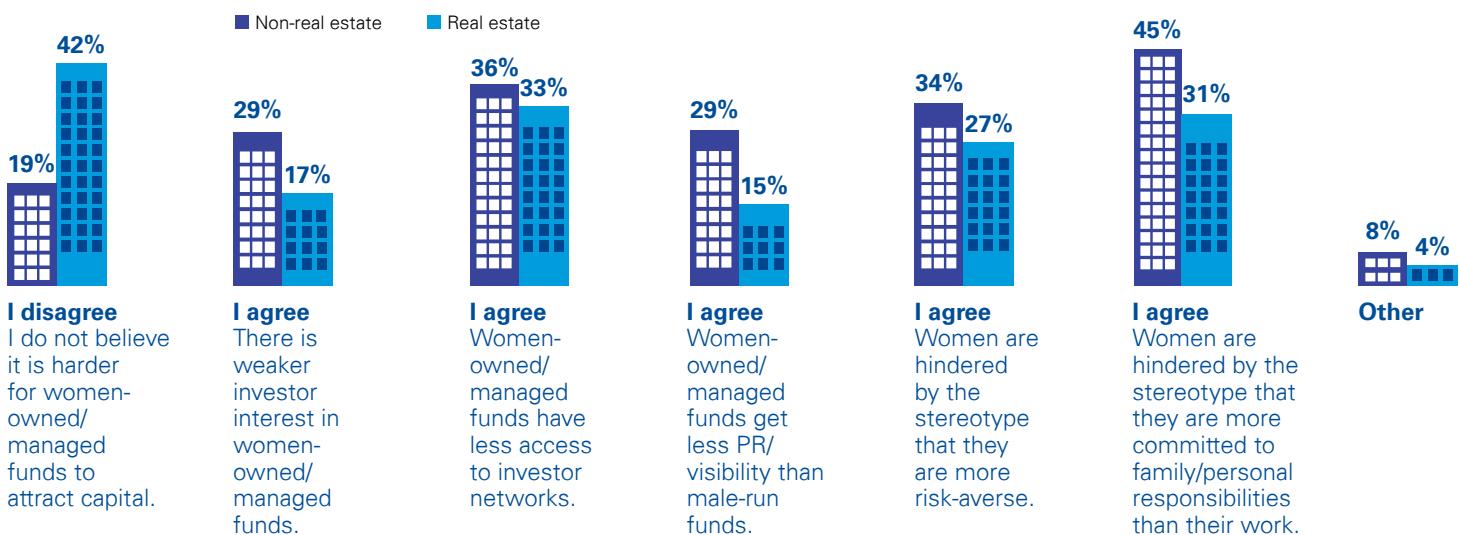
¹ KPMG's 2016 Women in Alternative Investments Report

² Ibid.

³ Ibid.

Optimism in capital raising

Do you agree that it is harder for women-owned/managed funds to attract capital?



There is optimism in capital raising. A variety of factors have historically prevented women-owned/managed funds from obtaining capital at the same rates and levels as peer companies, including weaker investor interest, less access to investor networks, less publicity and visibility, and stereotypes about women being more risk-averse and more committed to family than work. But

while gender bias in raising real estate money remains a serious issue, 42 percent of women in real estate do not believe it is harder for women-led funds to obtain capital, compared to just 19 percent of women in other alternative sectors.⁴

The glass ceiling remains largely intact. Despite the positive signs, women are still significantly

underrepresented in positions of power, especially on boards and in the C-suite. "Examining the organizational hierarchy, we see that women remain seriously underrepresented as we move further into the executive ranks," said Dr. Sam Chandan, Silverstein Chair of the Schack Institute. Gender bias appears to be especially prevalent in capital raising.

⁴ KPMG's 2016 Women in Alternative Investments Report



KPMG's commitment to women's advancement

For 120 years, corporate citizenship has been a core value at KPMG. Through the Women's Advisory Board, KPMG's Network of Women (KNOW), and strategic relationships with external women's advocacy groups, the firm invests time, energy and resources in numerous programs designed to create a more compelling work environment and enhance career opportunities for women.

Key initiatives

- KPMG Women's PGA Championship and Women's Leadership Summit, a world-class major golf championship

- KPMG Future Leaders Program, which helps top female high school students advance their personal growth through scholarships, leadership development, and mentorship
- KPMG's Executive Leadership Institute for Women, a professional development series for KPMG women partners and senior managers
- Stacy Lewis Rising Stars, a development program for high-potential KPMG female leaders
- Accelerate Your Career Potential, which supports KPMG women

managers as they build their careers

- Career Life Strategies, helping senior associate women keep their careers on track and balance their priorities

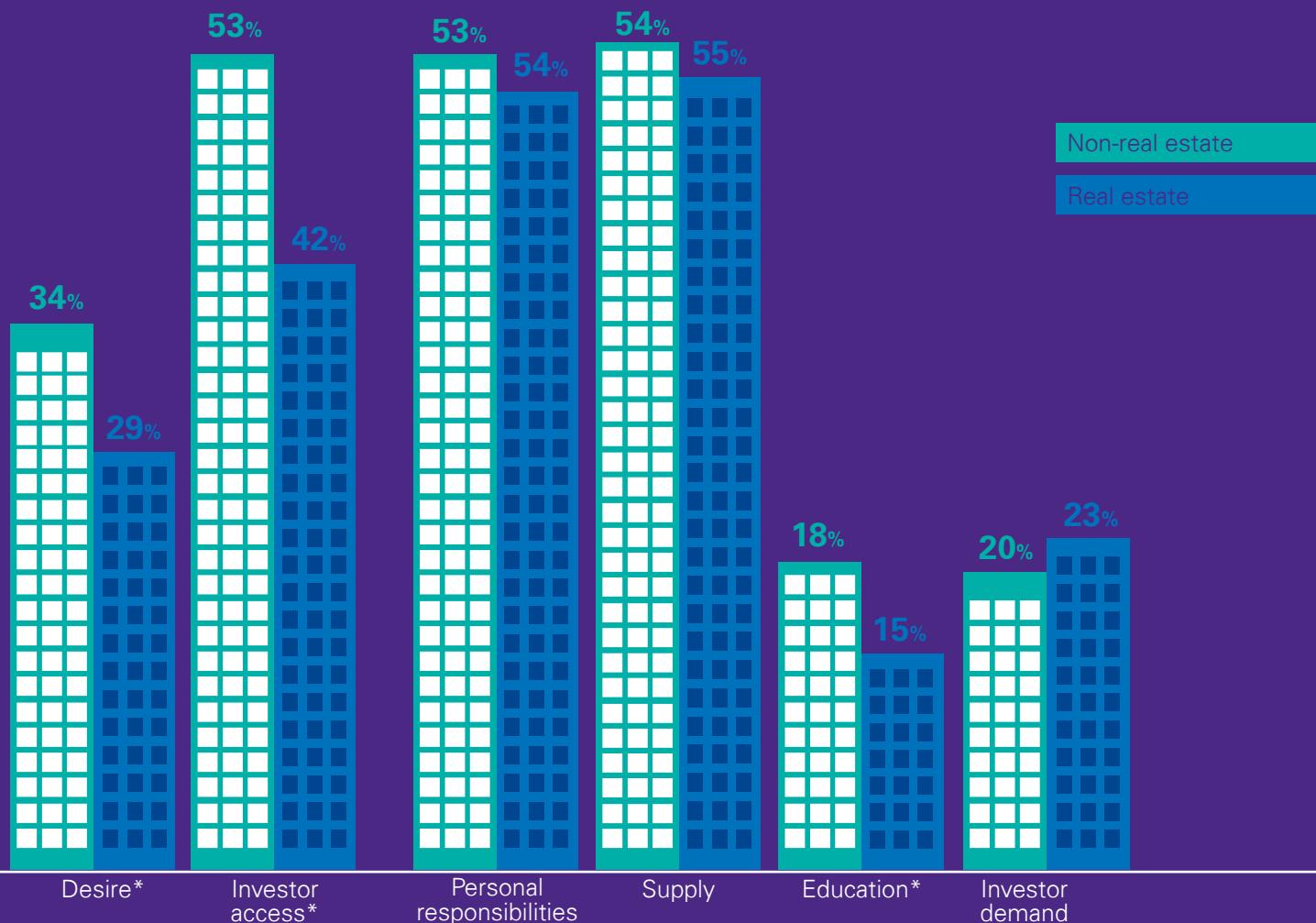
Strategic relationships

- Women's Business Enterprise National Council
- WomenCorporateDirectors Foundation
- 30% Club
- Catalyst
- The Center for Talent Innovation



Signs of progress

Across the very real barriers prohibiting women from entering and growing in the AI industry, there are some signs of progress for real estate in important areas of investor access, desire and education.



Desire*

Fewer women wish to enter the alternative investment industry.

Supply

Lack of positions for women in alternatives where they can build a track record.

Investor access*

Women have historically had less access to capital than their male peers.

Education*

Lack of education for women about the alternative industry.

Personal responsibilities

Hours and/or travel required make the industry less attractive to women.

Investor demand

There is less interest in women-owned/managed firms.



“Industry leaders are recognizing that good investment decisions in today’s fast-paced and competitive marketplace requires a diversity of thought—ideas drawn from a broader range of experiences and perspectives.”

— Tony Chereso, president and CEO,
Investment Program Association



Voices from the industry

How can women successfully enter, thrive and rise in the real estate industry? And what can real estate businesses do to support their careers? Our conversations uncovered some critical insights on what it will take to close the gender gap.

8 key areas of support

To bring about lasting change, here are eight key recommendations to consider.

1 Building networks. Relationships matter in every industry but especially a capital-intensive one that relies so heavily on trust. “Real estate is all based on relationships—who you know, who you can gain access to, and who you feel most comfortable with,” said Gwendolyn Butler, partner for Capri Investment Group. That means women and men alike need to get out from behind their desks and form meaningful connections—even allies and friendships—with

colleagues, industry peers, and investors. “Education and networking are incredibly important for female professionals looking to move up the real estate career ladder. You should always be meeting people in your business as resources for information,” said Merrie Frankel, president of Minerva Realty Consultants, LLC. This focus has been a centerpiece for Seema Hingorani—founder and chief investment officer of SevenStep Capital and a senior adviser at Crestview Partners—and the nonprofit organization that she founded called Girls Who Invest, which is dedicated to increasing the number of women in the asset management industry. “It’s always been for me about relationships and friendships,” Hingorani said.

2 Getting mentors. Women in real estate should seek out influential mentors who inspire them. “It’s

extraordinarily important to have sponsors in order to advance through an organization,” said Chandan. Mentors can be male or female, formal or informal, so long as the mentor is committed to the mentee’s personal and career growth and is in a position to support it.

3 Finding female role models. The shrinking share of women in senior real estate roles may, in part, be a self-fulfilling prophecy. With few senior women to serve as examples of what is possible, young women struggle to see a clear career path for themselves. “For someone who is junior at an organization, it’s important to see other women in senior roles,” said Amy Boyle, managing director at GTIS Partners. Fortunately, there are more women running firms today. Participating in networking groups also helps some female professionals find a strong support system of peers.

Spotlight

Growing the pipeline

The recently launched nonprofit, Girls Who Invest, offers rising female college sophomores and juniors (predominantly liberal arts majors) a four-week summer intensive that provides technical financial training and exposes them to senior professionals in the industry. At the completion of the intensive, participants have a six-week paid internship with top investment firms across asset management.

For more information on this critical endeavor, visit <http://www.girlswhoinvest.org/>.

4 Gaining confidence. "You're not going to get challenging projects or a promotion unless you ask," said Shruti Shah, KPMG Advisory principal for alternative investments. But asking is a struggle for many women. KPMG research found that 80 percent of women in alternative investments do not have that confidence to ask for a raise or a promotion.⁵ Helping women gain that confidence is critical to closing the gender gap, because in business, doing a good job might not be enough—you also have to get noticed. "To succeed in a meaningful way in real estate, which is still predominantly male-driven, women have to be bold, focused, determined, and aggressive," said Joyce Storm, president of Storm Partners. "Take your space. Carve out your voice and point of view. Seek challenges. Take risks. Charge onward! And then, have the stamina to stay in the game."

5 Taking risks. New opportunities rarely fall into your lap—they have to be seized. "Taking on a challenging new project you think you're only 60 percent ready for might be scary, but if you don't take it, you're doing yourself a disservice," said Shah. "To move up, you have to be willing to make decisions and put your reputation on the line," added Greta Guggenheim, CEO of TPG Real Estate Finance Trust.

6 Asking for help. For many professional women, admitting a challenge can feel unnatural—even like a failure. But having

honest conversations about real challenges can go a lot farther than struggling alone.

"Don't be afraid to let your guard down," said Yesenia Scheker, KPMG Tax partner for real estate. "It's okay to admit you need help and that you're not 100 percent there, because nobody is."

7 Sustaining momentum.

The substantial progress toward gender equity at work has one potential setback: People—especially men—thinking that we have solved the problem. "We were having the same conversations in 1977; it's just that now there are more people engaged in the discussion," said Butler. "For Blackstone, the key was that we had senior leaders—both men and women—acknowledging that we were not where we wanted to be and then deciding to take a very proactive approach," said Olivia John, managing director for Blackstone Real Estate Group.

8 Solving the pipeline problem.

Research points to the fact that more gender-diverse teams get better outcomes. So it is in real estate firms' best interest to actively seek out female hires, especially to higher level roles. Consider having women represent your firm at recruiting events to show prospects your commitment to diversity. Another best practice is to publicize your female stars. "We have to create visibility around successful women in our industry," said Chandan.

⁵ KPMG's 2016 Women in Alternative Investments Report

The time is now

A lot has changed for women in real estate. New initiatives are making a difference and new opportunities abound. But there is still much work to be done to achieve gender equity in the industry. To continue making strides forward, real estate leaders must place a strong emphasis on the importance of diversity of thought as a business imperative within their own organizations and invest in practices and policies that support women in rising through the ranks. Doing so will not only benefit their firms, but the industry as a whole.

This report is an extension of KPMG's commitment to gender and diversity and leverages the data and insight from KPMG's 2016 Women in Alternative Investments report:
The time is now. Real change, real impact, seize the moment.

For more information and access to our insights, visit us at kpmg.com.

Get in touch

To learn about how KPMG's New York Alternative Investments practice supports gender and diversity, please contact our professionals.



Kelly Rau
Partner, Audit –
Alternative Investments
KPMG
T: 212-872-3455
E: krau@kpmg.com



Yesenia Scheker
New York Real Estate
Practice Leader
Tax Partner in Charge, New York
Real Estate Practice
KPMG
T: 212-954-3509
E: yscheker@kpmg.com



Shruti Shah
Principal, Advisory – Alternative
Investments
KPMG
T: 973-912-6316
E: skshah@kpmg.com

Contributors



Phil Marra
National Audit Leader –
Building, Construction &
Real Estate Practice
U.S. Real Estate Funds
Leader – Alternative Investments
Partner, Audit
KPMG
T: 212-954-7864
E: pmarra@kpmg.com



Sam Chandan, PhD
Larry & Klara Silverstein Chair and
Associate Dean NYU SPS Schack
Institute of Real Estate

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates.

kpmg.com/socialmedia



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2017 KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. The KPMG name and logo are registered trademarks or trademarks of KPMG International. NDPPS 680326