



Building the blueprint for change

Women in real estate



2019

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A decorative graphic featuring several interlocking gears of different sizes and colors (white, light blue, and teal) on a dark blue background. Each gear contains a white icon representing various construction and industrial elements: a triangle, a factory, a building, a clipboard, a truck, a traffic cone, a roller, a hammer, a crane, a pencil, a saw, a wrench and screwdriver, a fence, a grid, and a house.

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About the paper

The insights in this paper are drawn from event programming, primary research, and other gender diversity initiatives spearheaded or supported by the **KPMG Women in Real Estate Steering Committee**, which helps elevate the role of women in real estate through professional and personal advancement opportunities. The paper shares fresh data and firsthand perspectives of committee coleaders and other leading voices on the importance of gender diversity in real estate and actions that are paving the way for change.

About the authors



Yesenia Scheker-Izquierdo is the partner in charge of KPMG's New York Real Estate Tax practice and the global Tax leader for KPMG's Building, Construction & Real Estate Tax practice. Yessi has 20 years of experience providing tax planning and structuring services to the asset management industry, including global real estate fund managers, investment funds, infrastructure funds, foreign investors, institutional clients, developers, homebuilders, and owner/operators. She is a coleader of KPMG's Women in Real Estate Steering Committee, a member of New York Women Executives in Real Estate (WX), and cofounder and president of Women's Executive Circle of New York.



Shruti Shah is a principal in KPMG's Advisory practice and has more than 20 years of experience as an organizational change driver. Shruti specializes in leading large-scale corporate transformation initiatives in the alternative investments sector, including real estate, private equity, and asset management. She has deep experience delivering services in the areas of enterprise risk management, policy, process, and technology; governance; project and financial management; and talent management. Shruti is a coleader of KPMG's Women in Real Estate Steering Committee.

Developing women in real estate is a business imperative

Research shows that a broad range of experiences and perspectives in decision making builds a strong foundation for any business, driving better performance with less risk and volatility.

In the fast-paced environment of today's real estate industry, expanding the diversity of ideas is especially important, driving the greater innovation necessary to navigate disruption and capitalize on change. Men still outnumber women by large numbers in nearly all subsectors of real estate, a traditionally male-dominated space. But, by and large, today's real estate leaders see the benefits of developing and empowering women at all levels.

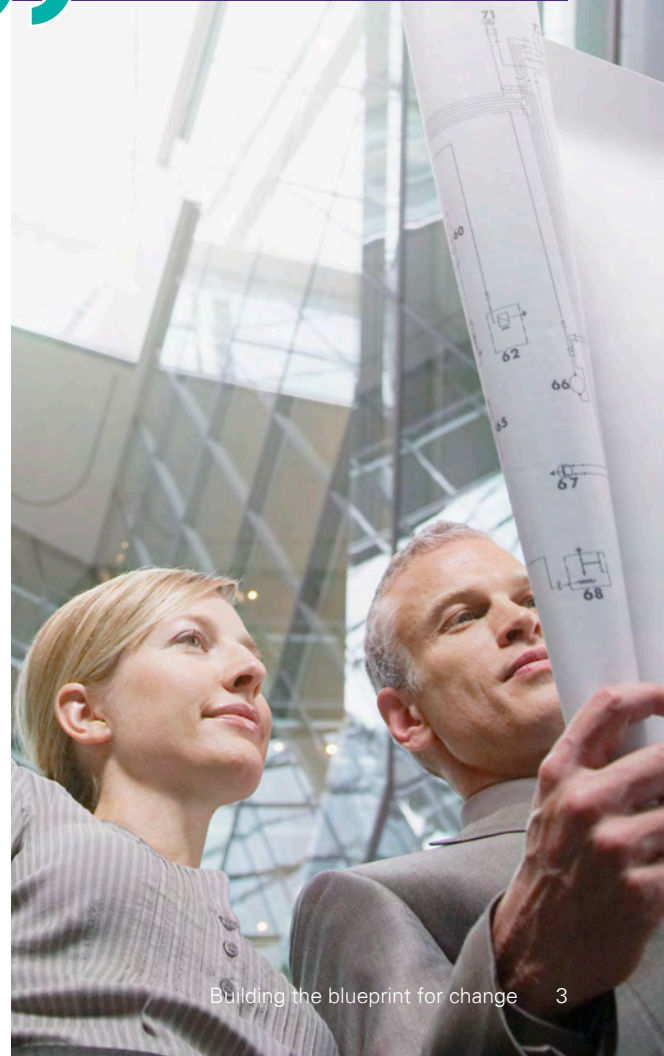
And today, ideas are turning to action; many real estate companies are pushing gender diversity initiatives to the top of the strategic agenda. With broad support for change and new approaches, programs, and initiatives beginning to emerge, slowly but surely, the real estate industry is making progress.

According to the recent KPMG Women in [Alternative Investments Report](#), nearly three-quarters (72 percent) of real estate industry professionals agree that achieving gender diversity is a business imperative.¹ But the momentum around advancing women in real estate goes beyond the business case. Other forces are also at play.

¹ This data represents the views of 61 real estate industry respondents to the KPMG Women in Alternative Investments Survey, an online survey conducted in 2018 and released in 2019. Respondents represented global private (non-REIT) real estate funds with assets under management ranging from less than \$150 million to more than \$5 billion. Ninety-three percent of respondents were women.

Advancing women in real estate is becoming a business imperative. For one, countless research studies prove that diversity of ideas and perspectives benefit everyone. What's more, organizations as a whole are becoming more diverse, with greater numbers of women in decision-making roles. Women leaders want to do business with firms that look like them. As such, diverse firms will do better at attracting and retaining clients, and delivering returns, too.

—*Shruti Shah, Principal, Advisory, KPMG LLP*



For one, the business world as a whole is becoming more socially conscious. With increasing acknowledgment of the impact a company's behavior can have on its performance, investors, lenders, and regulators are paying closer attention to environmental, social, and governance (ESG) factors, including practices related to workplace discrimination and diversity. And, as an array of women's issues have made their way into the public eye, more investors are placing emphasis on gender equity in the companies in which they invest.

Indeed, KPMG's survey found that real estate investors are pushing for diversity. Seventy-nine percent of real estate respondents have witnessed investors asking investment teams about their firm's diversity efforts.²

In addition, the real estate industry itself is changing quickly. Technology and innovation are playing an increasingly significant role in how companies buy, sell, and invest in property and deliver services to customers. Tech-driven subsectors of the industry are experiencing rapid growth. Amid such disruption, what worked in the past will fall short in the future. To compete, businesses need to adapt by broadening perspectives that can add depth and differentiate their strategy.

At KPMG, we're deeply committed to helping women enter, thrive, and rise in the real estate industry. But we know there's more to be done. The majority (61 percent) of real estate professionals do not think the sector is doing enough to recruit, retain, and advance women.³

To advance the conversation, we gathered industry data and first-person insights to pinpoint three key priorities for driving gender diversity in real estate and, in turn, drive tremendous value for real estate businesses:



This paper shares critical advice to help the real estate industry continue its steady march toward gender equality.

There are many senior women executives from across the real estate industry—including real asset managers, developers, owners, and operators—who have become advocates for improving gender diversity. They collaborate with each other, support one another, mentor younger professionals and openly discuss this important topic. There is a lot of momentum and focus, which is critical to gaining traction and making a greater impact.

— Yesenia Scheker-Izquierdo, Partner, Tax, KPMG LLP



² Ibid

³ Ibid

Entry: Bringing more women into real estate

“We want to hire women, but we can’t find them” is a pretty common assertion in the real estate industry.

When it comes to achieving gender equity, recruiting diverse talent is one of the oldest and most persistent challenges facing real estate leaders. Fewer than one-third (31 percent) of real estate professionals in KPMG’s survey say their organizations require a diverse slate to be considered when hiring for open positions.⁴

Fewer women in the industry historically means there are fewer women driving hiring decisions, fewer women in the extended network of talent from which companies typically recruit, and fewer female role models to mentor young women who may be considering a career in real estate.

However, today, leading real estate companies and partner organizations are breaking down walls and bringing more women in the door with innovative programs and initiatives. Change is being driven largely through targeted campus recruiting.

In addition to their traditional summer analyst program for rising seniors, PGIM Real Estate recently created a Sophomore Training Program for rising juniors. They work with colleges and universities to target diverse students with little to no real estate experience and provide extensive training and development opportunities for these students. The Sophomore Training Program introduces undergraduate women and other underrepresented groups to careers in real estate, providing training, mentorship, and networking opportunities and helping inspire the most talented diverse students to enter the real estate industry. PGIM Real Estate also invests in training on-campus recruiters to identify candidates who have not been exposed to a traditional real estate education.

⁴ Ibid



It’s time to put aside the notion that there are not enough qualified women to work in real estate. There are plenty. The challenge is to identify them and then give them a fair opportunity. Firms should also be aware of unconscious bias in recruiting and selecting candidates. Formal policies, such as a mandate for hiring managers to include at least one woman for every male candidate, can help balance the equation.

**— Yesenia Scheker-Izquierdo,
Partner, Tax, KPMG LLP**



Through our Sophomore Training Program, we seek diverse students who may not have any real estate knowledge or ever even considered working in the industry, but who are intelligent and articulate, have great critical thinking skills, and have the potential to really create value in our business.

**—Susan Mello, Managing Director,
PGIM Real Estate**



For example, Blackstone Real Estate also recruits on college campuses, searching for women to fill spots in Blackstone's leadership programs that teaches students about the finance landscape as well as entry-level professional roles. As the talent war picks up and more firms prioritize diversity in hiring, the firm has been pushing up their participation in the college recruiting cycle.

"We're focused on getting into schools earlier for campus-level recruiting, because we've found when we go too late, the most talented women already have jobs and our pool of potential candidates is more limited than we would like," says Kathleen McCarthy, global co-head of Blackstone Real Estate.

Blackstone also takes the unique step of training entry-level female candidates through the interview process, teaching them what questions to ask, how to promote themselves, and how to assess a job offer. This worthwhile investment has helped convert female applicants into hires, translating into greater numbers of women joining the team.

In academia, the Schack Institute of Real Estate at NYU School of Professional Studies actively recruits women students into its program, empowers them with the skills they'll need to succeed, helps them identify mentors in the industry, and supports them in transitioning into real estate careers through corporate partnerships.



Many real estate firms have the best of intentions. They want to recruit outstanding women, and they recognize the value they bring. But they struggle to attract women candidates due to the perception that the organization doesn't reflect diversity.

**—Shruti Shah, Principal,
Advisory, KPMG LLP**





I'm seeing clear changes in the recruiting strategies of the organizations that come to the Schack Institute campus—and those strategies are making an impact.

—Sam Chandan, Silverstein Chair and Dean, NYU Schack



Chandan has seen more firms create targeted opportunities for women to come into the organization, whether for a few hours to shadow a professional or for a formal, extended internship. Such opportunities allow female students to experience the internal culture and understand what it's really like to be a woman in their respective firms. In addition, some Schack Institute alumnae come back to speak to current students, which serves as a soft recruiting effort for the organization and also helps to support their personal and professional growth.

Real estate companies could also spur change by taking steps to confront unconscious bias that can impact the hiring process. According to research on unconscious bias, it's human nature that people tend to favor candidates they can identify with, which usually means people with whom they have something in common. When the people making the hiring decisions are dominated by one group (i.e., men), outsiders (i.e., women) are sometimes overlooked or undervalued, perpetuating their low numbers in the industry.⁵ But only a minuscule portion (8 percent) of real estate funds address the potential for unconscious bias in key talent processes and decisions.⁶

PGIM Real Estate incorporates unconscious bias awareness training, along with inclusive management training, into their leadership programs for managers to help them identify and shed any biases and recognize the value that diversity of all kinds can bring to the business and to their teams. The Schack Institute does the same with a goal of ensuring that all students get equal access to opportunities throughout their real estate educational career.

⁵ Bohnet, Iris (2016). *What Works: Gender Equality by Design*. Cambridge, MA: Harvard University Press

⁶ Ibid



Retention: Creating a supportive and inclusive culture that allows women to thrive

In order for diversity programs and policies to be effective, the people responsible for them have to believe in them—and be held accountable for meeting predetermined goals. This requires not only advocates at the top but also buy-in from the entire organization.

**—Yesenia Scheker-Izquierdo,
Partner, Tax, KPMG LLP**



Once real estate firms do the hard work of bringing talented women on board, the last thing they want is to watch them start careers in a different industry, or take a break from the workforce altogether. But for a number of reasons, retaining female professionals, especially middle managers, is an ongoing challenge in the industry.

For one, women face an uphill battle as they climb the career ladder, driven by a number of factors: a lack of confidence to seek out new roles, a lack of sponsors to advocate for their advancement, a lack of mentors to support them in transitioning into new roles, and unconscious bias promotion and compensation practices.⁷

As a result of cultural and structural obstacles, the percentage of women typically dwindles in middle and especially upper management. In 77 percent of funds KPMG surveyed, the

⁷ Women in Real Estate: Setting the foundation for meaningful change (KPMG LLP, 2017)

percentage of women on the investment committee of their respective companies was 10 percent or less. And, 41 percent had *no* women investment decision makers.⁸

To retain diverse teams, real estate firms are engaged in a variety of initiatives.

Blackstone Real Estate has created a true meritocracy in the workplace, where there are no limits on any person's career path or earnings potential.

We believe a fantastic place to work for all people is also a fantastic place to work for women—and for anyone who is in the minority in the industry.

—Kathleen McCarthy, Global Co-head of Blackstone Real Estate

PGIM Real Estate established a Women's Leadership Network in 2013 to address gender diversity, and building on that program's success, formed its Inclusion & Leadership Network (ILN) in 2017 to expand its focus on diversity across gender, race, ethnicity, sexual orientation, and economic and geographic backgrounds. Through its ILN programming, PGIM Real Estate addresses professional development, cultural change, talent attraction and retention, and equal access.

"Our senior leadership team firmly believes that diversity of perspective and experience makes us better investment managers. Hiring diverse talent is an important step, but we also need to ensure we are creating programming and promoting a culture that supports their development and retention once they are at PGIM Real Estate," says Susan Mello.

The Schack Institute, which actively seeks out diverse students with an array of backgrounds and experiences, is putting structures in place so every future real estate professional can reach his or her full potential. This includes creating affinity groups that help students build their networks, positioning them for success when they enter the workforce. Schack also brings in business leaders for roundtable events with affinity groups, helping students learn about different firm cultures and find a good fit.

In addition, leading real estate firms are investing in mentoring programs, which pair high-potential women with senior female leaders for networking and education. Currently, only 13 percent of real estate firms in KPMG's survey provide a formal mentoring program.⁹

"Exposure to successful female role models is incredibly inspirational to the next generation of women," says Amy Boyle, senior managing director at GTIS Partners. "Mentoring programs also help build women's confidence to take risks and ask for more responsibility and pay."

Sponsors, who spend their own political "capital" to give sponsees special opportunities, can also make a big difference in a company's ability to retain female talent. Sponsors, who can be male or female, hold powerful positions and advocate for their sponsees as decisions are being made about who gets important assignments, raises, and promotions. According to KPMG's survey, only 15 percent of real estate funds ensure women have access to sponsors.¹⁰

"Sponsors can be especially helpful to women professionals in real estate, who may not be top of mind in a male-dominated workplace," says McCarthy.

Misconceptions about what women want from their careers can be a barrier to retention. Firms sometimes overlook women to lead really challenging efforts—those that require extra hours, travel, and time away from family—because of unconscious biases about their priorities. It will take a conscious effort, involving both men and women, to overcome these biases.

—Shruti Shah, Principal, Advisory, KPMG LLP

⁸ Ibid

⁹ Ibid

¹⁰ Ibid



Reentry: Welcoming and integrating women back to work

Many smaller, private, and sometimes male-dominated real estate companies may not have policies in place for flexibility or support systems for working mothers. This often translates into not having a plan for what happens to women (and men) when they come back to work after a leave of absence. It's important for real estate firms not to overlook any subset of the workforce and understand the challenges people face at different points in their lives.

**— Yesenia Scheker-Izquierdo,
Partner, Tax, KPMG LLP**



Across industries, many mid-career women experience life events—including motherhood—that temporarily interrupt their careers. If and when they return, working mothers often have unique needs in the workplace, including greater flexibility in both hours and location. However, 51 percent of the real estate firms KPMG surveyed do not provide flexible work schedules and 49 percent do not provide parental or adoption leave.¹¹

Through policies, programs, and culture change, many real estate companies are looking to create more viable paths for women to return to work after having children and also create better work-life balance for working mothers. Ideas go far beyond strategies that are relatively commonplace in other industries, such as flexible schedules and remote work options.

According to Mindy Berkower, chief client officer and general counsel at iRelaunch, real estate companies may find future recruiting success following a trend seen in the financial services and technology industries: using internships and career reentry programs to hire women into mid-level positions.

¹¹ Ibid

Legacy firms in these industries are experiencing a lack of experienced female talent rising through the ranks as well as the loss of mid-level talent to start-up players with more progressive cultures. As such, “returnship” programs have been launched to help hire and develop mid-career professionals returning to work after a leave of absence. For example, BlackRock’s 3E initiative, Barclay’s Encore program, and the American Express Financial Professional Reentry program each offer 12-week paid internships for people who have taken a career break of at least two years.¹² These are primarily (though not exclusively) women who took time off work to raise children.

“Reentry talent—whether it’s mothers who paused their careers to raise children, fathers who did the same, people returning from medical leave, veterans entering the civilian workforce, professionals seeking a career change, or people in a range of other circumstances—is a highly skilled and experienced group that’s incredibly underutilized by employers,” says Berkower. “Tapping into this talent pool is a great way for real estate companies to bring in more women professionals.”

Reentry programs provide a structured mechanism to return to work after a career break. They also help people navigate the journey back into the workforce. They could become a powerful tool to draw women to the real estate industry in the first place and improve job satisfaction and engagement of current female real estate professionals, leading to greater retention.

Having a reentry program is a strong loyalty builder, signaling to employees that leadership recognizes that career paths aren’t linear and that people will have every opportunity to return and to succeed.

—Mindy Berkower, Chief Client Officer and General Counsel at iRelaunch

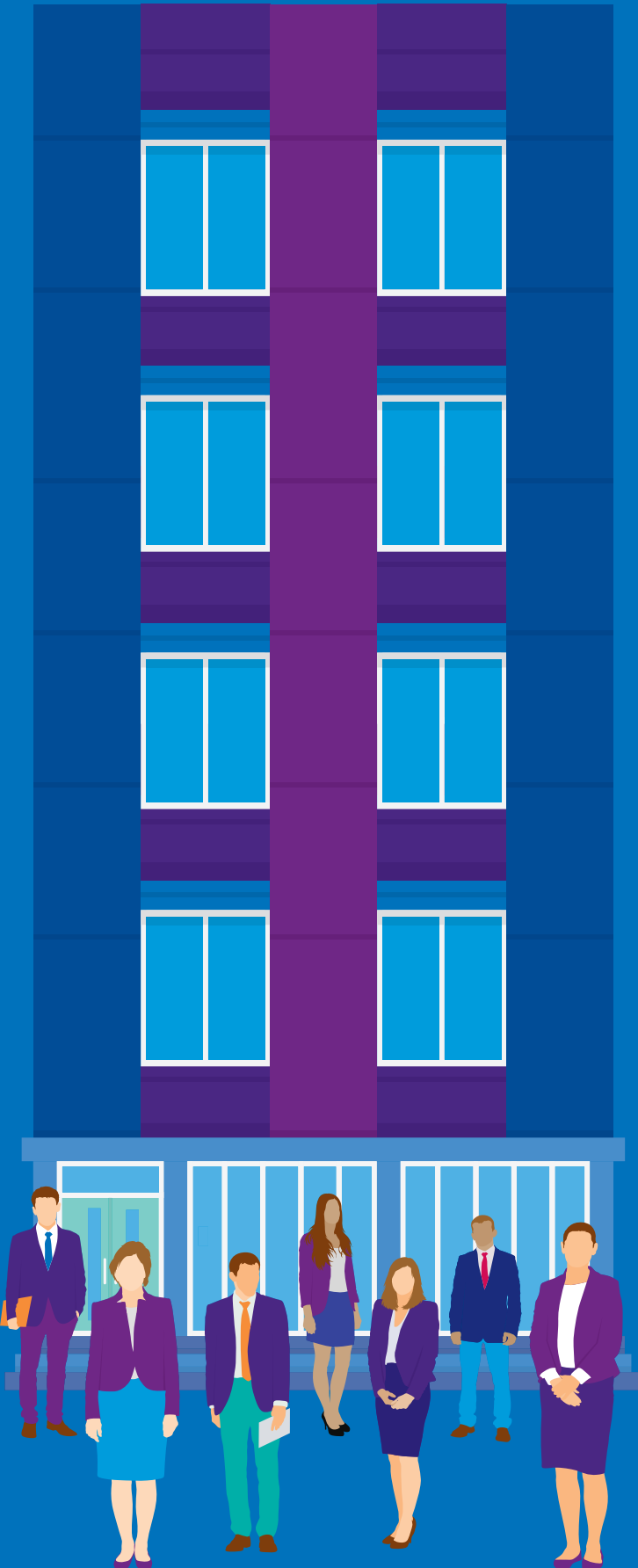
Reentering the workforce after taking time off to have my three children was one of the most difficult and scary things I’ve done in my career. There was no playbook for how to get back in. In an age when it’s so hard to retain talent, having programs to help people like me navigate their way back to work is a major business advantage. I can’t think of a better way for firms to tap into a talent pool as skilled, experienced, hardworking, loyal, and invested.

—Shruti Shah, Principal, Advisory, KPMG LLP



¹² iRelaunch Career Reentry Program Listings

Spotlight on PropTech: An opportunity for women



As the real estate industry undergoes widespread disruption, women may have a particular opportunity to break in to high-growth sectors like PropTech, which drew \$9.6 billion of investment in 2018.¹³

As today's real estate businesses strive to become agile, targeted and responsive new products, services, and business models are emerging that use technology to enhance (and often disrupt) every segment of the real estate value chain, including development, investment, transactions, and operations. Today, there are PropTech companies focused on connecting physical buildings to the Internet of Things (IoT); using data analytics to better serve tenants; creating more energy-efficient properties; automating mortgage, lending, and closing processes; crowd sourcing property financing; and selling homes direct over the internet.

"Nearly every VC fund has some kind of PropTech in their portfolio," says Liza Benson, partner at Moderne Ventures, an early-stage venture fund that focuses on real estate technology companies.

As founders, investors, and professionals, women may have an advantage in the growing PropTech space. Just like diversity helps drive business performance, it helps drive industry change. Both the investment community and PropTech hiring managers increasingly recognize the potential of diverse teams with new ideas.

"How do you innovate in an industry that hasn't done so in many decades?" says Clelia Peters, cofounder of MetaProp, a PropTech accelerator and venture fund. "As real estate women, we are outsiders and that means we can think differently."

Indeed, as PropTech takes off, most of the people driving its growth come from outside the traditional real estate industry. Many are technology entrepreneurs who have experience launching businesses in other verticals but are just learning the ins and outs of real estate.

"As the PropTech sector accelerates, both the real estate industry and the investment community are paying close attention, creating unbelievable opportunities for entrepreneurs, whether male or female," says Robyn Beavers, CEO and cofounder of Blueprint Power, a PropTech start-up that turns buildings into power plants.

"To achieve gender equity in real estate, we need to get more women starting businesses, more women investing in those businesses, and soon enough, more will follow," says Caren Maio, CEO and cofounder of Nestio, a real estate leasing and marketing software company."

¹³ Source: CREtech 2018 End of Year Report (CREtech, 2018)



A diversity action plan

We've made the case for women's advancement in the real estate industry. We've highlighted three key priority areas on the journey: recruitment, retention, and reentry. And, we've examined diversity practices at a host of real estate firms that are answering the call to act.

But how do firms get started? Here, we outline six key actions real estate owners and asset managers can take now to help women rise—and ROI soar.



About the KPMG Women in Real Estate Steering Committee

The KPMG Women in Real Estate Steering Committee was formed in 2017 to help elevate the role of women in the real estate industry. Our work is closely aligned with KPMG's firmwide diversity and inclusion efforts, which seek to empower women in their professional careers and advance future female business leaders.

Who we **ARE**

A diverse pool of senior executives from across the real estate sector and KPMG's Real Estate practice leaders:

- Yesenia Scheker-Izquierdo, Partner, Tax, KPMG LLP
- Shruti Shah, Principal, Advisory, KPMG LLP
- Sam Chandan, PhD, Associate Dean, NYU Schack Institute of Real Estate
- Amy Boyle, Senior Managing Director, GTIS Partners
- Andrea Drasites, Managing Director, Blackstone Real Estate
- Dee Dee Sklar, Managing Director, Wells Fargo Securities
- Karen Holdridge, Senior Vice President, Boston Properties
- Susan Mello, Managing Director, PGIM Real Estate
- Caryn Lombardi, Head of U.S. Finance and Operations, AXA Real Estate

What we **DO**

- Advance the conversation around gender diversity in the real estate industry and continue to pave change
- Provide women in real estate—ranging from students to young professionals to mid-level managers to the C-suite—with professional and personal advancement opportunities
- Connect real estate companies, educational institutions, nonprofits, and other likeminded organizations around the shared goal of advancing women in real estate
- Provide educational opportunities for women seeking real estate board positions and create an environment where board-ready women can network



How we **DO IT**

- Events
- Networking
- Research
- Insights
- Sponsorships
- Partnerships

Key focus **AREAS**

- Pipeline
- Retention
- Reintegration
- Mentoring
- Sponsorship
- Male involvement
- Board diversity
- Board readiness





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