

## Grant Thrall

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**Sent:** Thursday, September 08, 2005 1:40 AM  
**Attach:** Florida State University -- 15 September 2005.doc  
**Subject:** AI -- FSU Commercial Real Estate Valuation & Consulting Presentation

I just prepared the attached as the outline of a presentation that I will be giving next week at FSU. It has some information on the industry that also may be of use to you and your real estate students. Thank you.

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**Presentation Overview**

- Alumni relations & networking
- Tips & techniques for career planning
- Real estate career opportunities
- Commercial real estate valuation & consulting career opportunities
- Commercial real estate valuation & consulting income potential
- Appraisal Institute university relations program
- Suggested paired academic majors and minors
- Job search tips & techniques

## **Alumni Relations & Networking**

### **Alumni Relations**

- Background
- “Case Studies”

### **Alumni Networking**

#### **Opportunity – FSU Real Estate Trends & Networking Conference**

- Welcome reception networking
- Dinner networking
- Post dinner reception networking
- Break networking
- If I Was 21 session networking

#### **Strategy – Solo/Team Networking**

- Review the list of conference attendees and what companies they work for and target those alumni whose companies, or professions interest you
- Target the lone alumni
- Target two alumni who do not appear to be talking much
- Make a list of conversation starting questions (post-collegiate name, hometown & major):
  - Where do you live?
  - What company do you work for?
  - What is that company’s primary professional focus?
  - What career opportunities are available with that company?
  - What do you do with that company?
  - What does that job entail/Describe a typical work day?
  - What trends do you see in that profession?
  - What do you typically look for in entry-level applicants in that profession?
  - How often does your company recruit new entry-level professionals?
  - How does your company typically find new prospective entry-level professional employees?
  - If you were not in your current profession, what other real estate profession would you consider?
  - What was your first post-collegiate job?
  - How did you find that job/How did you find your first real estate job?

## Tips & Techniques for Career Planning

### What do you really want to do?

- In corporate recruiter John Wareham's book, *The Anatomy of a Great Executive*, he advocates discovering your "psychic contract" based upon the following five criteria:
  - Prime parental directive: My parents always told me I should \_\_\_\_\_
  - Guiding criteria for success: The best measure of personal success is \_\_\_\_\_
  - Central life interest: The main driving force in my life is \_\_\_\_\_
  - Culminating achievement: I will know for sure that I'm successful on the day that I \_\_\_\_\_
  - Financial comfort level as it relates to lifestyle expectation: Realistically, to enjoy a satisfactory lifestyle, I need an annual income of \$ \_\_\_\_\_
- Have a sense of purpose about what you do:
  - It should be important to you
  - You should love to do it
  - You should be good at it
  - You should feel as if you were born to do it
- Inventory your personal likes and dislikes
- Inventory your personal strengths and weaknesses
- How do those who know you well see you?

## **Real Estate Career Opportunities**

### **Commercial OR Residential**

- Commercial – business to business
- Residential – business to consumer

### **Commercial Real Estate Brokerage**

- Industrial properties brokerage (leasing and sales)
- Office properties brokerage (leasing and sales)
- Retail properties brokerage (leasing and sales)
- Land brokerage (sales)
- Investment properties brokerage (sales)

### **Commercial Real Estate Development**

- Construction/project management
- Entrepreneur/owner/partner/regional executive (developer)
- Finance
- Leasing
- Property management

### **Commercial Real Estate Finance**

- Bank commercial real estate loan officers
- CMBS (Commercial Mortgage Backed Securities)/Wall Street
- Mortgage bankers/brokers

### **Commercial Real Estate Property Management**

- Industrial parks
- Office buildings
- Shopping centers

### **Corporate Real Estate**

- Facilities management
- Site selection

### **Institutional Real Estate Management (Insurance Companies/Pension Funds/REITS)**

- Asset management

## **Commercial Real Estate Valuation & Consulting Opportunities**

### **Key Professional Profile**

- **Primary professional activities include research, analysis, and report writing**
- About 85,000 to 90,000 real estate appraiser/analysts in the US of which AI estimates about 25,000 do any substantial commercial work
- The largest commercial real estate valuation & consulting firms in the US only have about 200 professionals with the vast majority being micro-business with 5 to 10 professionals and one manager/owner
- A successful job search requires much self-motivation
- Professional training limited to very informal on the job training and AI MAI track courses (development of an industry training program is being discussed)
- Good entrepreneurial opportunities
- Good opportunities for professionals with marketing ability
- Very poor industry for organizational advancement
- Valuation for financial reporting could cause industry restructuring and require about 15,000 to 20,000 new appraiser/analysts as well as mid-level and senior managers in a very short period of time
- Typical MAI is in their early 50s indicating that many will retire in 10 to 20 years
- Region X of the Appraisal Institute leadership has a very strong interest in developing a real estate valuation & consulting internship program in Florida
- AI national Client Advisory Board wants to encourage recruiting more recent university real estate program graduates as well as training those entry-level professionals

### **Commercial Real Estate Valuation & Consulting**

- Commercial real estate appraiser/analyst
- Complex property type specialist (often has a business valuation component):
  - Assisted living facilities/health care
  - Convenience stores with gas
  - Entertainment (e.g., amusement/theme parks and movie theatres)
  - Golf courses/marinas
  - Hotels/motels
  - Special use properties (e.g., manufacturing facilities, mines, oil refining)
- Capital markets (e.g., CMBS, rating agencies, and REITs)
- Financial institution review appraiser/analyst
- Condemnation/eminent domain/litigation support specialist
  - Government agencies
  - Property owners
- Property tax consulting

### **Commercial Real Estate Valuation & Consulting Trends & Opportunities**

- Valuation for financial reporting purposes
- Economic, GIS & urban analysis consulting
- High-end decision-making support market research & analysis

## Commercial Real Estate Valuation Income Potential

<b>U.S. Census Bureau Household Income</b>		
	<b>Mean Income*</b>	<b>Income Limits – Each Fifth*</b>
<b>Lowest Fifth</b>	\$10,800	\$19,170
<b>Second Fifth</b>	\$27,160	\$35,530
<b>Third Fifth</b>	\$45,460	\$56,630
<b>Fourth Fifth</b>	\$71,290	\$89,060
<b>Highest Fifth</b>	\$155,700	\$160,520
<b>Top 5%</b>	\$277,810	

\*2001 income figures adjusted to 2004

Source: <http://www.census.gov> and <http://www.bls.gov/cpi/>

<b>Appraisal Institute 2004 Member Survey* Personal Gross Income</b>		
	<b>MAI</b>	<b>Non-Designated AI Appraiser</b>
<b>25<sup>th</sup> Percentile</b>	\$78,700	\$48,300
<b>50<sup>th</sup> Percentile</b>	\$108,700	\$71,900
<b>75<sup>th</sup> Percentile</b>	\$160,800	\$107,100
<b>Mean</b>	<b>\$118,800</b>	<b>\$85,500</b>
<b>Top 13% of MAIs</b>	\$200,000+	N/A

\*4,728 Respondents (17% Did Not Answer)

The indicated mean MAI potential gross income is within the highest fifth of household income. At the 75<sup>th</sup> Percentile MAI potential gross income is in the top 5% of household income

The indicated mean non-designated AI appraiser income is at the upper end of the highest fourth of household income

Hourly billable rate for MAIs in central Florida ranges from about \$175 to \$225 per hour (typically for expert witness testimony)

Experienced commercial real estate financial institution review appraiser/analysts income ranges from about \$70,000 to \$100,000 per year

National commercial real estate valuation & consulting firm branch managers income ranges from about \$150,000 to \$200,000 per year

**Appraisal Institute Instructor's (requires MAI, SRA, or PhD.):**

Course, Single Instructor (5 day class) – \$3,200 (plus expenses, if applicable)

Course, Dual Instructor (5 day class) – \$2,200 @ (plus expenses, if applicable)

Course, Single Instructor (2 day class) – \$1,600 (plus expenses, if applicable)

Seminar, Single Instructor (2 day seminar) – \$1,500 (plus expenses, if applicable)

Seminar, Single Instructor (1 day seminar) – \$1,000 (plus expenses, if applicable)

Seminar, Single Instructor (1/2 day seminar) – \$500 (plus expenses, if applicable)

**Entry/junior level commercial real estate appraiser/analyst income:**

First year income range – \$25,000 to \$30,000

Second year income range – \$28,000 to \$35,000

Third year income range – \$30,000 to \$48,000

## **Appraisal Institute University Relations Programs**

Appraisal Institute Student Affiliate Membership –  
<http://www.appraisalinstitute.org/join/default.asp#affiliate>

- \$50.00 per year (?)

Appraisal Institute Academic Challenge of Examinations

- \$25.00 per examination (must be student affiliate member)

Appraisal Institute Education Trust Scholarships –  
<http://www.appraisalinstitute.org/about/aieducationtrust.asp>

- Undergraduate -- \$2,000
- Graduate -- \$3,000

Region X of the Appraisal Institute Real Estate Valuation Internship Program  
(development stage)

Region X of the Appraisal Institute *Real Estate Valuation & Consulting Career & Job Search Handbook* pamphlet (research stage)

MAI University (Class) – Four-year post-collegiate MAI track (concept stage)

Appraisal Institute certification of university real estate programs towards MAI and SRA professional designations (very early concept stage)

## **Suggested Paired Academic Majors and Minors**

### **Commercial Real Estate Brokerage**

- Real Estate + Marketing

### **Commercial Real Estate Development**

- Real Estate + Entrepreneurship
- Real Estate + Finance
- Real Estate + Marketing

### **Commercial Real Estate Finance**

- Real Estate + Entrepreneurship
- Real Estate + Finance

### **Commercial Real Estate Property Management**

- Real Estate + Accounting
- Real Estate + Entrepreneurship
- Real Estate + Management

### **Commercial Real Estate Valuation & Consulting**

- Real Estate + Entrepreneurship
- Real Estate + Finance
- Real Estate + Economics
- Real Estate + Urban & Regional Planning

### **Corporate Real Estate**

- Real Estate + Accounting
- Real Estate + Management
- Real Estate + Economics
- Real Estate + Urban & Regional Planning

### **Institutional Real Estate Management (Insurance Companies/Pension Funds/REITS)**

- Real Estate + Accounting
- Real Estate + Finance
- Real Estate + Economics

## **Job Search Tips & Techniques**

### **Current Job Candidate Submission Pet Peeves**

- Resumes
  - Wrong career objective
- Cover e-mail/letters
  - To whom it may concern
  - No cover e-mail/letter
  - Wrong career objective

### **Top Job Search Advice**

- Resumes
  - Match the career objective to the job you are applying for
  - List the course name and course number of all FSU real estate courses that you have taken
    - Make it very well organized, logically and consistently formatted with bold text, italics text, and underlining, as well as very easy to skim read quickly
  - A “can do,” has done” tone is a plus
  - Make it very easy to skim read (using organization and formatting)
- Cover E-mail/Letters
  - Get the correct name and professional title of the hiring authority
  - Select your two to four best academic/personal skills and using bullet points identify what they are and how they will benefit the prospective employer use advantage/proof statements, if possible
    - Make it very easy to skim read as noted above

### Three Phase Job Search:

- Marketing (planning, researching, and targeting):
  - Identify the companies and the individual with decision-making hiring authority to target market
  - Develop an effective resume and cover letter package (highlighting your personal skills (features) and how they would benefit the company)
- Prospecting (mailing and calling):
  - Mailing the package to a specific individual with decision-making authority AND follow-up with a personal phone call in seven to 10 days (leave maximum of four one-sided voice mail messages two days apart)
- Selling (interviewing and follow-up).
  - Interviewing
    - Bring a portfolio pad and pen to take notes (can also contain a list of key questions on the industry and company)
    - What are the qualities that you are looking for in the ideal candidate? [This is the “dream” ideal – how well do your skills fit?]
    - What are the qualifications of the other people that you have interviewed? [This is your competition – how competitive are you?]
    - How did you become successful in your field (write your fingers to the bone on this one)?
    - When do you expect to make a decision?
    - The close . . . summarize your features, benefits, and advantages . . . ASK FOR THE JOB!
      - ✓ If you’re washed-up already, or they don’t have a job to offer you (and won’t have a job you’re qualified for in the foreseeable future), ask about other opportunities within the industry that they might know about.
  - Follow-up, JUST DO IT!
    - Send them a thank you letter on your letterhead:
    - Take this opportunity to review your interview notes for anything positive that happened during the interview – anything that will make YOU stand out.
    - Again, summarize your features, benefits, and advantages “relating” them to their “ideal” job candidate.
    - Call them about a week after you send the thank you letter to check on your “status” (unless you had a prior agreement).
    - If a rejection letter or call comes, NETWORK!

## **Appraisal Institute Job Search Applications**

- Home page – <http://www.appraisalinstitute.org>
  - Find An Appraiser
  - Advanced Search
    - Professional designation (MAI/SRPA)
    - City
    - County
    - State
    - Appraisal Institute chapter name
    - Company name
- Chapter executive secretary
- Financial institution review appraisers