

# Real Estate Forum<sup>®</sup>

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## View From The Top

**Huge Amount of Capital Still  
Looking for Multifamily Assets**

*From left: Sule Aygoren, Jeff Day, Rick Graf and Bill Witte*

**ALL EYES ON FANNIE & FREDDIE  
CCIM: BROADENING ITS BASE  
GO LOCAL IN...SOUTHERN CALIFORNIA  
PLUS: SoCAL's TOP BROKERS**



# Mark of Distinction

LONG SOUGHT BY COMMERCIAL BROKERS, THE CCIM DESIGNATION  
CAN NOW BE FOUND IN A VARIETY OF RELATED DISCIPLINES.  
BROADENING THE BASE OF DESIGNEES IS JUST ONE OF MANY WAYS  
THE CCIM INSTITUTE HAS EVOLVED ALONG WITH THE INDUSTRY.

**By Paul Bubny**

Launched in 1954 as the Investment Property Exchange and Taxation series of courses amid what was a very different world of commercial real estate, today's CCIM Institute has evolved along with the industry. Its designees, which now number more than 15,000 globally, have brought the institute's combination of course mastery and practical application to disciplines ranging from brokerage to lending. The expertise of CCIM designees is especially relevant as investors traverse the unfamiliar terrain of secondary and tertiary markets.

If a major brokerage firm is vying for "the big projects with the big boys, they're going to send in the number-one team," Wayne D'Amico, the Chicago-based CCIM Institute's 2013 president, tells REAL ESTATE FORUM. "But when you get down into the second level, the second tier, even at the bigger companies, you know that a CCIM within that company has the experience

versus the guy that happened to pick up your phone call."

D'Amico bases that assertion on the exacting nature of the CCIM program. "In order to achieve certification, you have to have evidenced mastery of the core content: fundamentals of investment and market analyses of commercial real estate," says D'Amico, senior advisor for New York City-based Lance Capital Management. Even after the content has been mastered, though, a CCIM candidate has to demonstrate that "you've been hands-on with qualified transactional activities. You can't be selling a house and get credit for it."

That level of rigor—and the highly concentrated nature of the curriculum, which D'Amico likened to taking a masters class in the space of a week—has long been a mainstay of the CCIM designation, first offered in 1969. What's evolving is the way in which it's presented. Building on the institute's Site To Do Business, a



CCIM Institute's 2014 leadership team (*from left*): President-Elect Mark Macek, CCIM; 2014 President Karl Landreneau, CCIM; and 2014 First Vice President Steve Moreira, CCIM.

proprietary demographics and market analysis technology platform available to members, “We want to merge the technology platform with the education side, so that we’re not only teaching the analytical side but also teaching and using the technology side,” says Karl Landreneau, who assumes the presidency of the institute in January. “The outcome is to have a really diverse, up-to-date education program that teaches application.”

There’s a lot that’s new about the program going into 2014, although keeping it current is also part of the institute’s DNA. “We’ve just gone through a major course rewrite,” says Landreneau, director of commercial sales and leasing at NAI Latter & Blum in Baton Rouge, LA. “We also developed, several years ago, something called the Ward Center for Real Estate Studies.” Through the Ward Center, “we can react to changes in the market through education that may be needed and broadcast

it out in different ways: webinars or live classrooms. And we use our chapter network to facilitate anything that changes in the marketplace like capital leases and/or the new tax regulations that are coming out. We’re working on a program now to incorporate the Obamacare tax changes.”

Asked how the CCIM Institute is unique among industry accreditation organizations, both Landreneau and Colliers International’s Richard Fulton tell FORUM that it’s due to CRE practitioners doing the teaching. “Every instructor has to sign an affidavit that they are a practicing commercial real estate professional,” Landreneau says. “We teach theory, but we also teach practical application.”

Adds Fulton, a Nashville-based Colliers VP, “What we try to do in the classroom, which I think most of us do well, is to relate the concepts that we’re teaching to how you can use those concepts

in the real world to become a better practitioner of real estate. Having been in the real estate business as a practitioner for 40 years, I can assure you that I can relate any one of the concepts in the courses to how I've used it" in order to get a deal done.

When the students finish any of the courses—including Commercial Investment 101, 102, 103 or 104, among others—they must fill out an evaluation form on the course and instructor before taking the test. "One of those line items is 'did the instructor relate real-world experiences to the concepts taught?'" Fulton says. "That is the box I will look at particularly to see if I did a good job of relating those concepts to how you use them in the real world."

In the words of Joe Larkin, president of First Realty Advisors in Denver and an instructor for CCIM's CI 103, 104 and Advanced Negotiations courses, "CCIM instructors talk the talk and walk the walk." One of Larkin's recent students summed up a key differentiator of the CCIM education: "He said the CCIM course was the first time he had learned to apply the many theoretical real estate analysis concepts he'd learned in his MBA program," Larkin says. The CCIM courses also analyze investments to calculate an after-income-tax ROI, another concept that's elusive in many graduate-level real estate programs, Larkin notes.

That ability to calculate ROI is especially important now, and particularly for smaller investors, Fulton says. "Being able to analyze a potential real estate investment for that client and being able to truly show them what their after-tax return will be is extraordinarily valuable in today's climate, more so than ever, because you have clients that want to get a better return on the money they have," he says.

It works both ways, as Fulton points out: instructors can find that the principles they're teaching apply to what they're doing currently outside the classroom. "Surprisingly, I find that I'm using the concepts that are taught in the Market Analysis course, which is 102, more than ever," he says. "We're having to analyze a market more deeply than we used to. Is it a growth market, is it a market where prices are going to appreciate? Market analysis is becoming more critical when we look at investment real estate today."

The need for in-depth analysis arises both from client expectations and also from the nature of the markets themselves, especially when going off the beaten path of core properties in gateway cities. "Certainly the client is becoming more sophisticated, but as practitioners we have an obligation to our clients to advise them on what we believe will be the property's



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**WAYNE D'AMICO**  
2013 president, CCIM Institute

“With a CCIM, you can presume that the person's been pre-screened.

future value," says Fulton. "Is it going to appreciate in value? And the only way to determine that is do to an analysis and make sure it's a market that we feel is going to continue to grow and the demand will be there for that property at some point in the future." Additionally, the ability to perform such an analysis at a high level "gives you a competitive advantage over people that have not gone through the CCIM curriculum and don't understand the tools that are available to you," he adds.

D'Amico shares how his CCIM designation, which he achieved in 1996, proved valuable in another way. "When you have a local CCIM organization, it's an instant way to identify people in the industry that you're not competing company-to-company with," he explains. "You're able to get involved with an organization that has edu-

cation and competence as a key part of it, not just doing deals. When you can find people that are like-minded, that's the incubation of relationship building. The careers of the people evolve, and then that relationship can pose a new opportunity that you never expected."

The opportunities multiplied as D'Amico became more involved with the national organization. "That was kind of the incubator for me; you simply meet more people and expand your business horizons," he says. "Before you know it, I was meeting real estate people from McDonald's, FedEx or Walmart" that he might have otherwise never met face to face.

The institute's relationships with large organizations go beyond the meeting of individual CCIM designees and corporate representative. Joe Fisher, who was instrumental in the 2010 curriculum redesign and is a former CCIM Institute president, tells

FORUM, "CCIM is expanding connections with large commercial real estate corporations and customizing its well known education program to meet their training needs." He cites PricewaterhouseCoopers and GE Capital as examples.

"PwC, like any large international accounting firm, has several responsibility areas that require real estate expertise," says Fisher, president of Fisher Investment Real Estate in Indianapolis. "After a good deal of discussion with our CCIM Institute staff, we determined the best approach for PwC was immersion in our CCIM core curriculum."

Yet he adds that the institute's presentations can be customized for the company's needs. "Recently we presented to GE Capital US and Europe a 90-minute synchronous online education session," says Fisher. "The topic was User Cost of Occupancy Analysis, which fit nicely with the education need of the client."



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**KARL LANDRENEAU**  
2014 president, CCIM Institute

“Through the Ward Center, we can react to changes in the market through education

That large corporations are sending employees for CCIM training is not a new development. After all, big companies generally have sizable portfolios of leased and owned real estate. What has evolved of late is the ratio of broker-to-non-broker CCIMs; it's now approaching 50/50 compared to what formerly was "a supermajority of brokers," D'Amico says. "And the latest growth has been in working with the lenders: the Mortgage Bankers Association nationally and down into the local MBA organizations." At the corporate level, the likes of J.P. Morgan Chase and Bank of America "see huge value, not only in the value that the CCIM perspective gives to the underwriters" but also in the networking opportunities.

One banker who credits CCIM designation with shaping her career is Glynnis Fisher-Levitt, now a VP and real estate business advisor with PNC Corporate Bank in Birmingham, AL. "I've been in real estate in some fashion for virtually my entire career," says Fisher-Levitt, who will serve as CCIM Institute's designation committee chairperson next year. "But I made a move to the commercial side of the business about 15 years ago, and at that time didn't even know what net operating income was, much less how to calculate it." Moving into a banking position that involved underwriting and working with relationship managers, Fisher-Levitt was urged by her manager to sign up for the first CCIM 101 class available.

"He was active in the Alabama CCIM chapter at the time and I don't know if he was on the board, but he was insistent that I at least take 101 because it would lay the foundation for the work that I would be doing," she says. "I took that class and learned everything that was essential for me to step into my job every day and do what was required of me. And I learned it in a week. It was incredible. I learned a lot, and what I learned was practical. And I was absolutely hooked."

She asked her manager if she could continue with the CCIM curriculum, a process that she says has been "a great education for me. As I took these courses, I wasn't just focusing on the analysis piece, but why people are in this business do what they do. What is their motivation? How do they determine which projects to invest in, and which ones to pass on? By the time it gets to my desk, they've already worked through why they've chosen this site, why they've chosen this product, what their minimum return requirements are. But not having worked on the brokerage side, I did not have any concept of what motivated these people to invest in real estate this way. So the classes, 102 and 104, really helped me understand what drives the decision behind what gets to my desk. And that was a huge eye-opener for me, because it really rounded out my understanding of the industry.

As she continued with the curriculum, Fisher-Levitt became involved with the Alabama chapter and met a number of developers. "The more I got to know them, the more I could anticipate

and the more I could understand what was driving them," she says. It also deepened her understanding of the risks in a project as the developers saw them, as opposed to the banker's perspective. "And as I learned more, I began to realize that a lot of those risks are the same; we're all concerned about the same things."

Fisher received her CCIM designation in 2004. "Along with the respect that comes from having that designation, what this brings to the way people in this business perceive you is very powerful," she says. Getting the designation "opened doors for me that I would never have had opened for me." The designation was a catalyst for her being promoted, as well as for finding her next job and receiving her next promotion, and the next job and promotion after that. "It has totally altered my career path. It's been life-changing."

D'Amico offers some insight into the door-opening power of a CCIM designation. "In a resume that says 'I worked somewhere and I did some deals,' you want to scrutinize where they worked and what deals they did," he says. "And you have to really dig to find out and validate. But with a CCIM, you can already presume that the person's been pre-screened. It's kind of like a TSA pre-check, where you just haven't gotten that designation" unless you've gone through the course.

Not only the students are put through their paces in the CCIM curriculum; the instructors must stay up to speed as well. "One of the obligations we have as instructors is to be up-to-date in new technology and new methods of teaching," says Fulton. Accordingly, the institute periodically holds instructor training seminars. "Over the years that I've done this, we have had seminars where we get away and talk about learning concepts, how people learn," he says. More recently, the seminars have focused on "the new technologies that are available to us in teaching."

Some years ago, the institute incorporated Excel spreadsheets into the materials; Fulton calls them "tremendously valuable in the classroom." Now the emphasis is on "how to incorporate Internet-based learning and using the Internet to get across our concepts in a way that is more acceptable to the new students. Using YouTube to teach is a new concept for me, but we've got to stay on top of how our students want to learn."

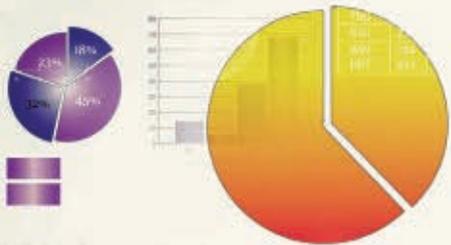
Noting that "there are a lot of designations out there that are really good," Landreneau says we're starting to see more dual designations as part of an industry-wide shift toward accreditation. "With the changing marketplace, the days of doing deals on the back of a napkin are gone," he says. "So you have to have the credibility. And if you have the credibility in your presentation, you will stand out and you can be more competitive. If you don't have the education nowadays, no matter which way you get it, your accountability suffers. I think education is the most important thing you can have in commercial real estate in this day and time." ♦



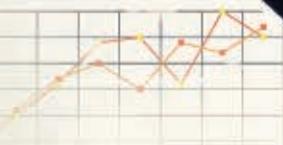
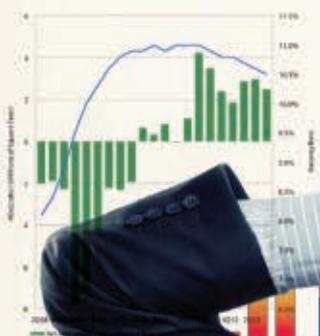
**RICHARD FULTON**  
Colliers International

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# A data-driven approach to commercial real estate



Retail Net Absorption and Vacancy



Second Quarter Market Performance  
Property Performance / % of Existing Transactions

	Month 1	Month 2	Month 3	Month 4
Q2	03	01	14	14
Q1	03	27	00	00
Q4	34	20	41	00
Q3	01	40	20	00
Q2	10	00	00	25

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