



CRE Tech Talks

Episode #21: Millennialization and the Effect on CRE Industry Talent Pool and Hiring

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Typically, when we hear about millennials in the CRE industry it relates to the physical workplace design as well as the common stereotype of how demanding they can be for the ultimate work place experience. We rarely focus on the other side of the coin – the impact of millennials relating to the CRE industry. On this CRE Tech Talks episode, Diane Danielson, Chief Operating Officer at SVN International Corp., shares her insight on millennialization, the hiring challenges the CRE industry is facing and what to do about it.

1. There is a “tsunami of opportunity for young people” in commercial real estate

There was a five-year time period when no one was going into the commercial real estate field. This has created a big gap in talent within the CRE industry. Diane explains the CRE industry is made up of about 60% baby boomers, 30% Generation X, only about 10% Generation Y or millennials. She also stated that this is mismatched to the general labor force which is made up of about 55% of millennials.

The challenge is that when the baby boomers – who are starting to retire – all retire, there is going to be a huge movement of talent leaving the industry. On the other side this creates a large tsunami of opportunity for younger generations to fill those gaps. This leads directly to Diane’s second point...

2. A necessary push to retool CRE brands to speak to and attract younger people

Since commercial real estate isn’t a career path that many high schools or even colleges talk to their students about, it’s become a challenge to get the word out to that potential pool of talent. Diane states that the CRE industry needs to rebrand a bit to become more attractive to these people. In fact, the company that she currently works at recently went through a whole rebranding effort to begin to address some of these challenges they are facing. To be more attractive to young talent, the CRE industry must look more sophisticated than it is currently seen by many.

3. Challenging the hiring norms and leveling the playing field in CRE to find the best talent

Diane shared that at SVN they’ve started changing their qualifiers for hiring standards. Rather than focusing on a particular few characteristics, they are broadening their criteria of what they are looking for in employees. They have found that many of their

top performers have a few characteristics in common, they spoke second languages, they were in the military, accomplished musicians and previously had worked in customer service. In the past, the CRE industry was keyed up on hiring white males who played on competitive sports teams, Diane said. She went on to explain that it's more about the fact that potential employees have grit and determination to accomplish something rather than the fact that they played on a sports team.

Diane also stated that one of the biggest changes they have made in the hiring process is that SVN no longer requires a college degree for job candidates. This drastically widens the pool of talent that they are able to dip into. "By leveling the playing field, by opening up and looking for new talent, our company has been transformed," she explained.

4. Embracing and using new technology for outdated business processes

Today, technology is being embraced rather than resisted - a change that has occurred in recent years. As more of the baby boomers exit the work place, tech will be embraced even more because many of those entering – or are about to enter - the work force are digital natives. These tech savvy employees are also using technology to find clients and distinguish themselves from their peers. Diane shared a story that many years ago CRE professionals would go through their rolodex, call a few contacts from it and close a couple deals a year. With so much new technology available and new talent entering the workforce that has never known a day without technology, the old ways of doing business won't cut it anymore.

5. Millennials and Generation Z don't view CRE the same as older generations

Millennials and Gen Z use the CRE space differently than generations before them, and so they may not see the same value that baby boomers or generation x sees in CRE. Maybe it's because on a daily basis they don't access different commercial real estate properties as much as prior generations did. For example, ordering your coffee on an app or going through a Dunkin Donuts drive through, the younger generations hardly interact with commercial real estate properties anymore. If the younger generations don't see the same value as generations before, the CRE industry could suffer an even greater lack of talent going into the industry.

Listen to the full conversation with Diane Danielson and Scott Sidman on CRE Tech Talks Episode #21

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