



Characteristics of Exemplary Real Estate Leaders

By Dr. Thomas A. Musil
drtommusil@gmail.com

The University of St. Thomas Real Estate Hall of Fame recognizes industry leaders that have made significant contributions to the real estate industry. Qualifications include exceptional professional expertise in an area of real estate practice, contributions to the community, and the highest level of ethics. Nominations to the Hall of Fame are open to individuals in residential, commercial, industrial, retail, corporate, and institutional real estate. This includes leaders in real estate development, brokerage, property management, finance, and construction.

Real estate is a very large industry and is often mistakenly perceived by the general public as limited to the areas of residential brokerage and construction. It is actually much broader and also includes the development, management, brokerage, and financing of commercial, industrial, multi-housing, and retail properties. When describing the real estate industry and its role in our economy, it is often easier to put numbers and values on real estate activities to demonstrate the industry's economic impact.

Nationally, real estate activities represent about 28 percent of our gross domestic product, employ more than 9 million people and provide over two-thirds of local government revenues. Construction activity, building permits, and real estate sales levels are leading economic indicators and changes in them exert a significant amount of influence on our nation's economy. As a source of wealth, real estate constitutes the single largest asset class for Americans. Indeed, the goal of most immi-

grants to the U.S. is to own real estate and build wealth. The value of U.S. real estate, including owner occupied homes, developed land and investment real estate – but excluding corporate real estate for companies not directly in the real estate investment business, farms and rural land and government real estate – is more than \$25 trillion. Corporate equities, the second largest asset class, amount to less than \$20 trillion in value.

Recently, a newspaper article about the St. Thomas Real Estate Hall of Fame referred to the individuals sought for nomination into the hall as the "deal-makers" in real estate. I admonish my students when they refer to "real estate deals"--the term is transaction. If the basis of real estate success was only measured in terms of the "deal," as the newspaper headline mistakenly stated, success in real estate would be much easier than the industry that I know and study. Success in any business field, including real estate, is a result of a combination of an individual's skills, business practices, leadership, hard work, and personal values. Accordingly, to be an exemplar in the real estate industry embraces many characteristics.

The definition of exemplar: An ideal example of something, worthy of being copied or imitated.

Over the last 30+ years in real estate education, I have observed the firms of the individuals being inducted into the Real Estate Hall of Fame, have come to know a countless number of their employees, and watched how the companies have grown. Many characteristics of success are shared among these individuals and also shared among their firms. Similarities in corporate cultures, business ethics, professional and civic

engagement, employee performance and dedication are the most visible traits. But there are other significant common traits as well.

These traits include a visionary leadership style that defines business direction and, perhaps most importantly, articulates a company-wide vision that is clearly understood by employees. In many cases the vision of these industry leaders inspires employees. Visionary leadership provides the underpinnings of company mission, culture, and strategy. Also flowing from a leader's vision are the ethics and standards of the organization. In one sense, a company's ethics means "doing the right thing." In a real estate setting, with wide-ranging professional practices, ethics are often further articulated as "putting the customer first." The individuals being inducted into the Hall of Fame have a long record of serving customer needs, creating value for customers and, through a wide range of professional practices, adding to their customers' corporate competitive advantage.

The organizations created by members of the Hall of Fame display common characteristics in how they treat their employees and communicate ethics, standards of care and professionalism. Business practices and ethics flow from the top down and a successful organization's mission and strategy must be communicated clearly to employees. As these businesses were built, a significant amount of attention was placed on recruiting, developing, and retaining talented employees. The status of the firms could not have been established if the employees failed to act in accordance with company ethics and standards of care. A company's character is not made in a few years or with a few transactions.

Lincoln noted that: “Character is like a tree and reputation like a shadow. The shadow is what we think of it, the tree is the real thing.”

For the men and women developing their careers in real estate, a great deal can be learned by studying success. Working hard, developing business and communication skills, being ethical and treating all people with respect, and putting the customer first are really not new practices. Success in real estate and business has occurred throughout modern time and is based on these principles. Future leaders, like the Hall of Fame inductees, have many opportunities for success.

Success in real estate has a unique American character. Opportunities for success are open to anyone and this country holds abundant opportunities.

This is nothing new. Describing American real estate practices of the 1640s and the process of recording a land entitlement, preparing a survey, and recording a land patent, an observer found that after these things were done, “the owner then occupied the land and began farming. Compared with the difficulties of acquiring land in England, even for ready money, it was amazingly simple.” Real estate is something that Americans have learned to do well and, over the last 370+ years, has become one of our greatest strengths. Indeed, our country and the real estate industry is built upon these factors of success, values, and innovation—an old breed of new man (or woman) that can embrace and actualize these skills and principles.