

The search for the female CEO



Cover story

The push to hire or recruit women into top-level roles in private real estate comes with a multitude of challenges, not least of which is the lack of senior females in the industry. By Evelyn Lee

What do the world's largest asset manager, the world's largest sovereign wealth fund and the largest US pension plan have in common? All three have put women in charge of their real estate businesses in the past year.

In fact, *PERE* counted at least a dozen private real estate managers and investors that have hired or promoted females into top positions – including global or regional heads and C-suite roles – since April 2020.

Gone are the days when women in private real estate were limited to capital raising and investor relations,

what industry veteran Nori Gerardo Lietz called “the pink ghetto” in a 2012 white paper. Now, talented females are in high demand for the most senior roles in the industry. *PERE* spoke with more than a dozen managers, investors, recruiters and advisers to examine the drivers – and consequences – of this change.

“When one of the biggest firms in the world names a woman as head of real assets, it’s quite a positive statement,” says Gila Cohen, managing director of real estate and private equity at MUFG, the global asset servicing arm of Japanese bank Mitsubishi UFJ Financial Group. Anne Valentine Andrews’ April promotion at BlackRock is just the start, she says: “There’s



“The pace of change has just accelerated”

AMY PRICE
BentallGreenOak

definitely more to come. People are looking at how they can capitalize on the trend.”

“The pace of change has just accelerated,” adds Amy Price, who was promoted to president of New York-based real estate investment manager BentallGreenOak in January. “Diversity and inclusion is far more on the minds of real estate CEOs today than it has been. Are we satisfied with the pace that we’re moving? Not necessarily, but I feel like it has accelerated and we’re moving in the right direction.”

Much of the momentum in female hiring and promotions is being driven by investors, notes Serena Althaus, head of Europe at Chicago-based executive search firm Ferguson Partners. “The LPs are leading by example,” she says. “They need to be doing the right thing, and then putting that pressure onto their GPs to reflect it.”

One such investor is Norges Bank Investment Management, which

Private real estate has seen a wave of top-level female hires and promotions over the past year



Isabelle Scemama
promoted to head of
AXA IM Alts



Sophie van Oosterom
hired as global head of
real estate at Schrodors



Kylie O'Connor
promoted to head of real
estate at AMP Capital



Sarah Corr
promoted to head of
real assets at CalPERS



Kim Hourihan
promoted to chief investment officer
of Americas Real Estate at CBRE
Global Investors



Joanne McNamara
promoted to head
of Europe at Oxford
Properties

APR 2020

MAY

JUN

JUL

AUG

SEP

OCT

manages Norway's sovereign wealth fund Government Pension Fund Global. In October, the fund promoted Mie Holstad, formerly global head of real estate operations, to the newly-created role of chief real assets officer. Holstad was also one of two women added to the fund's new leader group, which is now 33 percent women. But in a statement at the time, chief executive Nicolai Tangen declared: "This is not good enough. One of my primary priorities is to promote diversity. I want to promote more skilled women." Meanwhile, the fund has called for its portfolio companies to have at least two women on their boards.

Valentine Andrews says managers have been hiring and elevating more senior women to better align their own teams with those of their investors. "Many of the leaders we face up with on the client side are women. And I think increasingly, they want our organizations to reflect the same diversity

"Competition for senior women is extremely fierce, especially for investment-focused roles"

CLAUDE ANGÉLOZ
Partners Group

as they have," she says. "It's pretty well accepted now that diversity of thought drives better investment outcomes."

Nathalie Palladitcheff, chief executive of Ivanhoé Cambridge, the real estate subsidiary of Canadian pension plan Caisse de dépôt et placement du

Québec, saw the organization's own lack of diversity shortly after she became president in 2018 – and how that would hamper Ivanhoé Cambridge's ability to make good investments. "We were missing a lot of points of view," she says. "We had a very homogeneous team, 80 percent men, most of them above 50 years old and almost all of them white...The world is changing and we're not changing ourselves. So how can we pretend we build the world and design the neighborhood of tomorrow?"

Among various diversity categories, gender diversity has gotten the most attention among managers and investors globally. In the Urban Land Institute and PwC's Emerging Trends in Real Estate Europe 2021 report, 73 percent of respondents said they were proactively addressing gender diversity, compared with 45 percent for socioeconomic diversity and 39 percent for ethnic minority diversity.



Mie Holstad

promoted to chief real assets officer at Norges Bank



Amy Price

promoted to president at BentallGreenOak



Jenny Hammarlund

hired as head of Europe at Cadillac Fairview



Carly Tripp

promoted to global chief investment officer at Nuveen Real Estate



Louise Kavanagh

promoted to Asia chief investment officer at Nuveen Real Estate



Anne Valentine Andrews

promoted to global head of real assets at BlackRock

NOV

DEC

JAN 2021

FEB

MAR

APR

“It is genuinely the hottest hiring market I’ve known in my 25-plus years of headhunting”

SERENA ALTHAUS
Ferguson Partners

Gender breakdown by seniority

The proportion of women in real estate continues to drop the higher the seniority level despite seeing some improvements in representation over the the last five years (%)



Source: NAREIM Diversity & Inclusion Survey 2021. Figures refer to full-time employees in North America

Homegrown talent

The recent high-level female appointments have primarily involved groups elevating existing talent. In some cases, the promotions have been several years in the making. BlackRock, for example, requires leaders to engage each year in detailed succession planning for each position within the organization, identifying potential successors and their level of readiness to take over the role.

“It’s a very deliberate pipelining of talent,” Anne Valentine Andrews explains. “You get lots of opportunities to stretch yourself, to present in forums, to be seen as a leader.” Valentine Andrews, who joined the New York-based asset management firm in 2014, became deputy head of the real assets business – which comprises real estate and infrastructure – in 2019. “That gave me a lot of opportunity to really lead in a substantial way and to help drive and grow the business.”

In the context of BlackRock’s yearly succession planning, “Anne was always someone who was top of our mind as

someone who could ascend into the role,” says Edwin Conway, global head of BlackRock Alternative Investors. But while Valentine Andrews “did a phenomenal job” as deputy head, it’s “not what they’ve done in the last 10 years, but what they’re going to do in the next 10 years” that matters most in terms of promotions, he points out. “Within BAI, Anne now leads one of our real growth drivers. It’s an area where we can continue to innovate and create alpha for clients.”

Meanwhile, Carly Tripp was promoted to the newly-created position of global chief investment officer of New York-based Nuveen Real Estate in January. As with Valentine Andrews, the move was a natural progression from her prior role as CIO for the Americas, Nuveen Real Estate’s largest regional business. “There was a lot that I had done in my career that made me a good fit for that role,” says the 15-year company veteran. But rather than succession planning, the promotion reflected the continued expansion of the

firm’s real estate business. “We are in growth mode,” she explains. “There was an internal need to take what we did in the US and globalize it in a way that was cohesive with the success that we’ve had.”

Managers and investors often also consider external female candidates alongside in-house talent. “It is genuinely the hottest hiring market I’ve known in my 25-plus years of headhunting,” Althaus says. She adds that Ferguson Partners typically conducts more than 50 real estate executive searches in Europe a year out of over 300 globally, but as of May, the firm already had 32 searches underway in the region. Overall, 70 percent of the firm’s clients are requesting diverse slates of candidates.

Dearth of senior females

The biggest challenge in placing women into top-level roles, however, is the sheer lack of senior females. Women slightly exceeded men as a percentage of junior-level professionals at

51 percent, but that number slipped to 40 percent of mid-level employees and dropped to 30 percent of senior-level professionals, according to the NAREIM Diversity & Inclusion Survey 2021, which was conducted with Ferguson Partners and focused on full-time employees at real estate investment managers in North America.

Oliver Redpath, co-founder of Sydney-based recruitment company Redpath Partners, remarks that most of his clients want a shortlist that is 50 percent female and 50 percent male. But based on the senior searches his firm has conducted globally, he estimates just 15-20 percent of the candidate pool is female. "Our job as the intermediary is to say, how achievable is that based on the data available to us?" he says.

Andrew Fein, head of the North American real estate practice at New York-based executive recruiter Dore Partnership, says, historically, clients had insisted on finding executives that fit a narrow job description, but now show more flexibility in recognition of a finite talent pool. "Oftentimes, we're asked to go out to find round pegs for round holes and you may not be able to put forward a very diverse slate with the round hole that's put in front of you," he says. In many cases, the search requires not finding someone with the same title, but rather a candidate with other attributes that would still make for an impactful hire, he says.

In other situations, groups have looked outside real estate or real assets for top female executives. A case in point was the California Public Employees' Retirement System naming Sarah Corr as managing investment director of real assets in June 2020. A 19-year veteran of the US public pension plan, she previously held senior positions in CalPERS' private equity division.

"I have more and more clients say to me, 'look anywhere,'" says Chantal Clavier, head of the real estate practice for Europe and Africa at Chicago's Heidrick & Struggles. "It's not about sectorial experience, it's about their

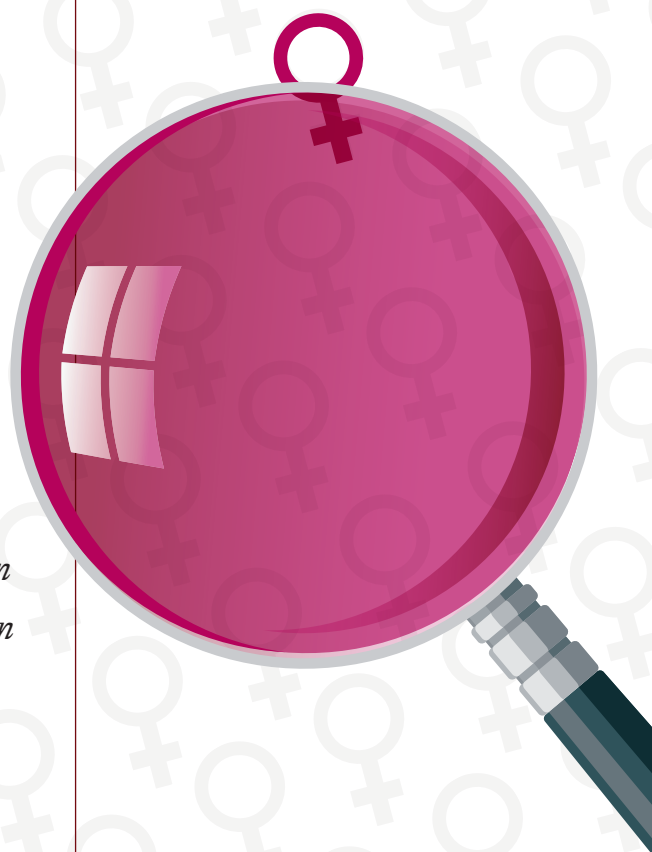
Diversity goals

Below is a sampling of managers and investors' efforts to encourage more diverse recruitment at their organizations

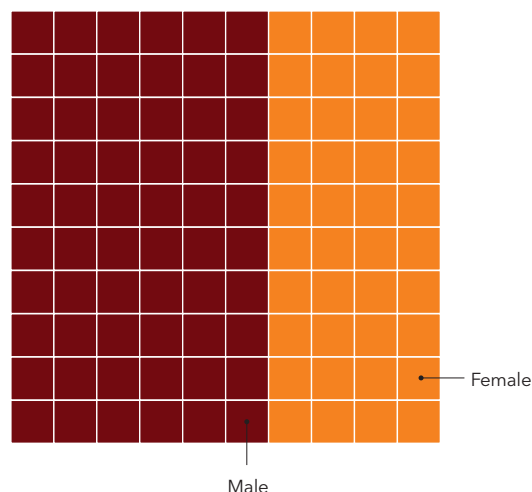
- BGO made headlines last year for setting a hard target that two-thirds of new hires should be women or visible minorities. The firm has now exceeded that target, having made 95 hires globally in 2021 to date, 80 percent of which have been women or visible minorities. Moreover, BGO has increased the female representation of its senior leadership group from 19 percent to 26 percent since the beginning of the year.
- Partners Group has pledged to substantially increase the number of its female partners and managing directors to at least 25 by 2025. The Swiss private markets investment firm currently employs more than 100 managing directors and partners, 13 of whom are female.
- New York-based investment manager Nuveen aims to include at least one underrepresented minority and one female on the candidate slates for all open positions and a minimum of one minority and one female among the interviewers for all roles.
- Ivanhoé Cambridge began using score cards with diversity and inclusion criteria to set remuneration packages last year.

"I've noticed that people are more open to doing things when they can see other people doing them"

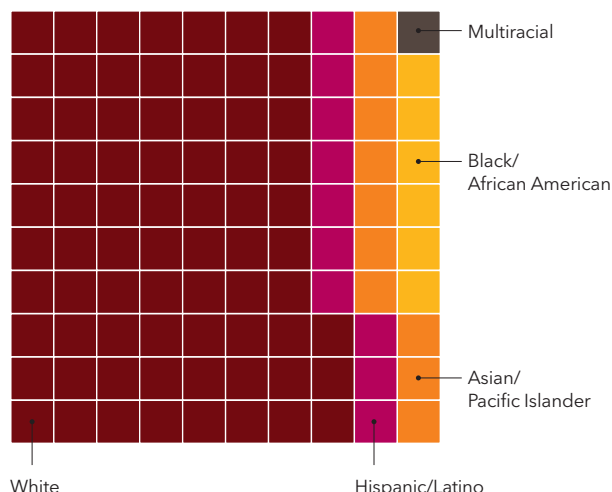
ANNE VALENTINE ANDREWS
BlackRock



Women represent less than half of full-time employees at real estate investment managers in North America



Meanwhile, three-quarters of employees at real estate investment managers in North America are white



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CHANTAL CLAVIER
Heidrick & Struggles

transferrable skills.” The same goes for geographies. Notably, Clavier recruited Palladitcheff for the chief financial officer role at Ivanhoé Cambridge in 2015, relocating her and her family from Paris to Montreal in the process.

It takes longer to hire senior females than senior males, she adds. “Females are more careful,” Clavier observes. “They take longer to consider all aspects, because they collaborate generally with their family, and they think about themselves in the role, and the implications of it, in a more thoughtful manner than the majority of males that we see.”

Tripp agrees the search for more diverse candidates can lengthen the hiring process. “We work really hard to find good candidates, which may take a little bit longer in the recruiting process,” she says. However, the payoff is a more diverse workforce; Nuveen Real Estate reported a 60 percent female hiring rate last year.

“We will be slower to extend an offer,” concurs Price. “We still may extend an offer to a non-diverse individual. But we are going to take our time and look harder to make sure we’ve seen a more diverse slate of candidates before we make an offer.” One senior hire that BGO recently made in the UK and Europe, for example, took about a month longer than similar hires may have taken in the past.

Jennifer Stevens, co-founder of US-based advisory firm Alliance Global Advisors, has advised clients to look beyond just traditional recruitment firms and avoid “closed door searches” when sourcing diverse talent at the senior levels. “We recommend reaching out to groups with networks of diverse talent like WIRE and REEC to capture a wider audience,” she says. “Expanding efforts beyond the private search mentality helps reach a more diverse network of qualified candidates.” Such

industry organizations can offer access to a different network of potential candidates that may not be accessible through the recruitment channel, she explains.

Other obstacles

But even more creative approaches to hiring diverse talent only go so far. One hurdle is the cultural norms in certain geographies. “There are obviously cultures where elements of the diversity agenda are harder to achieve because of stronger biases and stronger traditional roles played in society,” Redpath observes.

Another obstacle is the intense demand for qualified female candidates. “Competition for senior women is extremely fierce, especially for investment-focused roles, and to date we have not been as successful as we would hope to be at senior-level recruitment,” admits Claude Angéloz, chairman of private real estate at Swiss private markets firm Partners Group.

Because of this, Partners Group created a special budget to hire senior female talent for 2021. “You need to move fast to secure talented candidates,” Angéloz explains. “Recognizing that our internal processes are sometimes too slow for this market, and given our strategic focus on increasing our female leadership, the special budget was created simply as a way to fast-track some of the internal recruitment processes when necessary.”

Partners Group has not yet drawn on the budget, which would enable the firm to hire two or three additional senior women this year.

Isabelle Scemama, head of AXA IM Alts, the alternative investments division of French insurer AXA Group, recalls being very surprised to receive only one female resume out of 40 for a very senior investment position a few years ago. Although her organization’s diversity initiatives helped to boost female representation to 51 percent of real estate hiring last year, efforts still occasionally fall short. For example, for

The importance of women investors

For most organizations, where senior females are most needed is in the deployment of capital

For many groups, the emphasis is not just on senior women, but senior women in investments. At Ivanhoé Cambridge, women represent 54 percent of middle-level employees; 47 percent of directors and senior directors; and 34 percent of senior executives, according to data from the organization. However, women in investments represent just 28.1 percent, 7.1 percent and 17.6 percent, respectively, of the above categories.

“If women are just in HR and communications, it’s not going to change the game,” Nathalie Palladitcheff remarks. “We need to have women in investments, in transactions. It’s where we have to push.”

Valentine Andrews has noticed more women in investment positions than in the past. “To have them come up into the investing roles and staying there, that’s better outcomes and that is crucial,” she says. “We’re seeing more of those women making an impact.” Firmwide, 30 percent of BlackRock’s senior leaders were women as of January. The firm did not disclose data on what percentage of those women were in investments.

40 internship positions this year, AXA IM Alts received 800 resumes, of which one-third came from females. “We have to deal with what we have and it’s not always possible” to hire more females, Scemama says.

Many groups are now addressing the need for more women to be recruited into the industry at the very beginning of their careers.

Last October, AXA IM Alts formed an educational partnership with France’s ESSEC Business School, focusing on sustainable finance issues and responsible leadership. The partnership “is a very practical and concrete way to generate some traction” with female students, with the aim of getting more of them to apply for investment jobs in the future, according to Scemama.

As Stevens observes, “recruiting diverse talent at the leadership level is only possible if you have a pipeline of diverse talent at other levels of the organization.”

Role models

Ultimately, the recent wave of senior female hires and promotions is helping

to attract more women to the sector. “Younger females coming through the industry now can see themselves getting to the top and that they’re not going to encounter the glass ceiling that was prevalent 10-15 years ago,” Redpath remarks.

“They have strong case studies, have strong figureheads, have strong mentorship from females that have broken through those perceptions and broken through that glass ceiling. The momentum is now there.”

Tripp, who started her own career as the only female in her analyst class, observes that about a third of Nuveen Real Estate’s staff at the director level and above are now female. “It is an encouraging evolution that you’re seeing a lot more females as career entrants in finance and finance positions,” she says.

Today’s female leaders serve as role models for the next generation, Valentine Andrews notes. “When you can see things, you can actually then imagine them happening,” she says. “And I’ve noticed that people are more open to doing things when they can see other people doing them.” ■