



Catherine Coate

CHOICE CAREER

WANT TO WORK WITH A BUNCH OF 'CONSERVATIVE, MALE-DOMINATED, GOLF-PLAYING' COLLEAGUES?

Try *Commercial Real Estate*.
The Positives Far Outweigh the Negatives—
Really!—Says this Broker.

By Sharon Sorokin James

Many women gravitate to residential real estate sales as a first or second profession, because of the flexibility it offers, and because often their people skills are an asset in propelling them to success in the field. Fewer women consider commercial real estate, but in this commission-based profession, the higher the price of the property sold, the higher the paycheck the agent receives.

Simply put, commercial real estate is where the big money is. The median income reported by members of Commercial Real Estate Women (CREW) is "in excess of \$100,000 a year." The average income is \$125,000 per year.

As a profession, commercial real estate also covers a broad array of disciplines, from appraisal and architecture, to asset management, consulting, real estate development, finance, law, mortgage banking, and title insurance. With so much going for it, it's no wonder it captured the attention of Catherine Coate when she was getting restless in her former profession. "It's a great thing to do to totally change

everything around," says Coate about her midlife career switch.

Prior to becoming a commercial real estate broker, Coate served as Executive Director of the Greater Philadelphia Cultural Alliance, a nonprofit association of arts and

cultural groups. She has a Master's degree in social work from the University of Pennsylvania. Today she is the president of a newly created Nonprofit Services Group of Seligsohn Soens Hess, a large commercial real estate brokerage firm in Philadelphia, the fourth largest city in the country.

MAKING BREAD recently asked her how women fare in the world of commercial real estate and whether she'd recommend it to others. For more information on launching a career in commercial real estate, visit the Web site of Commercial Women in Real Estate (www.crewnetwork.org), where you'll find a Job Bank for members; the Women's Council of Realtors (www.wcr.org); and CCIM Institute (www.ccim.com), which offers requisite courses for becoming licensed.

MAKING BREAD: What made you decide to make the switch to commercial real estate broker?

Cathy Coate: I was recruited. It's a fluke.

MB: Who recruited you?

CC: The head of my current company, Jeff Seligsohn. I had resigned from the Cultural Alliance, because after a 20-year career in social services, government, and nonprofit management, I needed a change. But I had no idea what I wanted to do, so I gave five months' notice. During this time period, the building where the Cultural Alliance's offices were located was sold, and we had to move quickly. Jeff represented us in the move, and during the process I got to know him, and he recruited me to become a commercial real estate broker for his firm.

MB: Why do you think he recruited you?



CC: Because I had a huge network from my various jobs—government, nonprofit, arts and culture—and you need that kind of network to be good in sales. Jeff suggested that I give real estate consideration. My first response was "no way." I was totally uninterested, because I thought real estate was kind of slick and slimy. I had real misconceptions. There's actually a lot of oversight and regulation of the industry and licensing requirements. My colleagues are very professional.

Let's say I do a 10,000-square-foot, five-year lease for \$20 a square foot; that's \$200,000 a year times five years, or \$1,000,000, and I get four percent of that (which I divide with my company).

MB: What skills do you think a good commercial real estate broker needs?

CC: Developing relationships and knowing your product are key.





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MB: Tell us what you do as a commercial real estate broker.

CC: I represent people and companies who want to buy, sell or lease office and industrial properties. Those properties can range from an 800-square-foot office for a small nonprofit company to a 30,000-square-foot warehouse for a large for-profit company, and everything in between.

MB: Can you describe how commercial real estate brokers are compensated?

CC: In a typical leasing transaction, I get four percent of the gross aggregate rent—half when the tenant signs the lease and half when the tenant moves in. In a sale, if it's my listing and there's no cooperating broker, I get six percent of the gross sales price. If there's a cooperating broker, I get three percent and the cooperating broker gets the other half. Let's say I do a 10,000-square-foot, five-year lease for \$20 a square foot; that's \$200,000 a year times five years, or \$1,000,000, and I get four percent of that (which I divide with my company). So on a \$1,000,000 lease, I make \$20,000, and my company gets \$20,000. I average about 25 to 30 leases a year—a couple of big ones, and the rest are small ones. But the first year I barely made any money, because transactions

take a long time to close.

MB: Is there a lot of fluctuation in how much you earn in a given year?

CC: Having this nonprofit niche, I actually have really steady work, so I don't have huge ups and downs like my colleagues. I don't make as much money as the people in the high end of the commercial sector, but if I stick with this for another seven years, I will. Longevity is a key to success in real estate, because people come back. You get repeat business. What happens at the tail end of a career in real estate is that people work way less and make way more money. It really pays off at the end.

MB: How large or small is the community of female commercial real estate brokers in Philadelphia?

CC: There are probably a handful of women, out of several hundred men, and three of those women work in my company. As an industry, it's a stereotypical conservative, male-dominated, golf-playing group of guys. My company is really different from other companies. Our environment acknowledges and supports the different work needs between men and women. A concrete example is one of our biggest income producers: She has a lot of family demands,

and she can work in her car and outside of the office, and that's fine. There's little pressure to be in the office for face time.

MB: Do you mind being in such a male world?

CC: Yeah, I miss my girlfriends. I have a lot of relationships that I keep up during lunchtime with my friends who are lawyers or in other fields or who don't have jobs. It's one of the reasons I enjoy working with nonprofit companies. In many cases, the executives I deal with are women. The other thing that I think is a problem in our industry is that it's almost entirely white. I've never before worked in an office where there are no African Americans.

MB: Do you think there are any inherent advantages or disadvantages to being a woman in this business?

CC: No, not really. I think there's this assumption that women are more straightforward or honest, but that's not necessarily the case. There is, however, a financial disadvantage—a glass-ceiling kind of disadvantage. I watch younger, less experienced men around me get better assignments. It's just the way it is.

MB: Prior to becoming a commercial real estate broker, how well versed were you in the commercial real estate business, and how active do you become in the financial side of the deal?

CC: Not at all well versed. I'm active now, in the sense of a lot of financial analysis, but I'm not an accountant. I get as involved as any other broker would be, but we don't advise people about mortgage information. We make referrals to the appropriate profession-

als or organizations for that. But I can produce an analysis as to whether it makes sense to buy or rent over a long period of time.

MB: How did you learn to do that?

CC: There are spread sheets and software that help with the analysis. When you work with owners to rent out space, you have to do financial analysis as to how much rent should be, based on ongoing costs to maintain the building—what they have to put into it to fix it up, how much they have to pay the brokers and the lawyers and so forth—so that the rent will be sufficient to provide the owner with a profit.

It's a really great second or third or fourth career, after you have established contacts and have self-confidence, and if you thrive on a lot of flexibility and can tolerate a roller-coaster income.

MB: What advice can you give to **MAKING BREAD** readers who are considering a career as a commercial real estate broker?

CC: It's a really great second or third or fourth career, after you have established contacts and have self-confidence, and if you thrive on a lot of flexibility and can tolerate a roller-coaster income. I take six weeks' vacation a year or more, but I work during most of my vacations. And my income goes up and down, month by month, but it increases every year. I have seven or eight transactions right now on the verge of closing, and I don't think any checks have come in yet this month. It's not something to do unless you have a line of credit or other resources. □

Sharon Sorokin James is an author, an attorney and a contributing editor to **MAKING BREAD**.