Evaluating Real Estate Finance Decisions

By

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Chapter 12

Networking & Relationships

12.1 Reputation, Relationships, & Representation

- Your reputation is one of the most valuable characteristics you own and is a critical component to being successful in real estate. The real estate community is small and word travels quickly when you do something that tarnishes your reputation. It takes a long time to build up a strong reputation, but it only takes a few minutes to destroy it. I've heard top executives say something to the effect of, "I will trust someone 100% until they renege on a commitment and then they dead to me."

- The best way to build a strong reputation is to "say what you are going to do and then do what you said you would do." This builds trust. Always remember to completely follow through with what you commit to do. This extends into accepting job offers. Don't accept a job offer until you're fully ready to get out of the job market. If you aren't ready and willing to stop interviewing, don't accept the offer. Once the offer is accepted, you need to stop interviewing and stop entertaining the possibility of accepting another offer. You've made a commitment and you need to follow through with that commitment.

- The best way to demonstrate professionalism and to build a strong reputation quickly is to be on time (or early) for meetings. Fortunately (and unfortunately) first impressions are hard for people to overcome.

- Also, please remember you represent me, USC, and ultimately yourself. Reputations and relationships are everything in real estate. As such, I ask that you always conduct yourself in ways that reflect positively on USC. Here are three areas that will help you to do so.

12.2 LinkedIn

- One of the best ways to find out who is open to connecting and networking is to send LinkedIn invites to USC alumni. Those that accept your invitations are more likely to be willing to connect for coffee (hot chocolate), lunch, or a brief call.
- You can also use LinkedIn to do research on the individuals with whom you connect.
- LinkedIn also provides email address.
- The best way to connect with people is usually through their work email address that you can sometimes find on the company website. If you can't find it on the company website, you can also reach out through either LinkedIn Messages or use email address found on their LinkedIn profile once you connect with them.

12.3 Informational Interview

- The purpose of the Informational Interview is not to ask for a job or to obtain a job. It may lead to this down the road, but it is not the purpose of the call.
- The purpose of the Informational Interview is to network and learn more about real estate as an industry. It is an opportunity for those in the industry to give back and help teach and mentor.
- If there isn't a relationship already established and people feel like you're reaching out to get a job or an internship, they will usually put up more of a barrier with the purpose of evaluating you to see if you are a good candidate vs. simply wanting to help mentor and develop.

12.4 Email Request - Informational Interview

- Here is a potential draft email you can use in reaching out to others to request an informational interview. You will want to adapt it based on your individual circumstances, experiences, and interests.
- SUBJECT:

Can I call on your Trojan roots?

- BODY:

Hi Bob,

Would you be available for 10 to 15 minutes sometime in the next week or two to talk with me about your experience at Blackstone Capital Advisors?

I am in my senior year of the BRED programs at USC and planning to graduate in May of 2025 and am interested in learning more about real estate private equity (you can adjust what you're trying to learn about based on the experience of the individual - private debt, structured finance, capital markets, etc.) and would appreciate any thoughts you may have on the subject. As shown on the attached resume, my background is combination of acquisitions and asset management experience and I most recently interned at JP Morgan in their debt originations group in Los Angeles. Depending on your interest and availability, my schedule is relatively flexible over the next couple of weeks.

I appreciate you entertaining my request and look forward to hopefully talking soon.

All the best,

Spencer

12.5 Networking Resource

- I'm happy to connect any of my current students (taking my class) with those in my network. However, I have very specific (and high) expectations about how to engage with those I connect you with. I expect anyone asking me for a connection or a referral to follow these expectations.

12.6 Number

- I will connect each student with up to three connections. This helps ensure I'm not spending all my time making introductions.

- I will only connect one student to a given contact once a semester in order to not overwhelm those in my network.

12.7 Guidance

- Please ask me to connect you with specific individuals. It is less effective to ask to be connected to "someone that works in multifamily development in LA."

12.8 Research & Prepare

- Find out as much information about the individual(s) as you can before contacting them.
- Find out where they have worked. Find out where they went to school. Find out what interests they have outside of work.
- Look for personal connections you might have with them. Look for common connections you might have. Look for common affinity groups (culture, religion, race, hobbies, languages, etc.).

12.9 Gratitude

- Time is very valuable to people. Be considerate, grateful, and respectful of other people's time.
- Be on time to calls. Try to limit calls to 20 minutes (30 minutes at most) as a general rule.
- Within two days of your call, send them a "thank you" note. Handwritten notes are ideal. It will go a along way if you share something specific you learned and appreciated from the conversation.

12.10 Follow Up

- At the end of every conversation I recommend asking if it would be OK for you to keep in touch and possibly reach out in four or six months as things progress. As long as the conversation went well, most people will support this and be open to it. You will strengthen the relationship if you follow up and do the things you said you would do on the call.
- You may want to track the conversations you have with different industry professionals in a spreadsheet. You can track the date you spoke with them and a few of the items from the

conversation that stuck out to you. This will help you follow up with them later down the road and it will strengthen the relationship.

12.11 Report

- Within a week of connecting you with someone, I expect a brief report (it can be a few bullet points) back to me on how the informational interview went. It does not need to be long, but I want to know how responsive they were and how you followed up to express gratitude for their time.