

Upside down

In 2020, talent and property management took an unexpected turn



Image: iStock.com/asbe

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Like so many things in 2020, what companies focused on in talent management in the early part of the year went topsy-turvy with the pandemic. As we rang in the new year, most sectors were fighting to attract good employees in the midst of a job seeker's market. The unemployment rate in the U.S. had fallen in February 2020 to 3.5%, the lowest it's been since 1969, according to data from the Federal Reserve Bank of St. Louis. There were still concerns around wage growth and underemployment—but, especially for skilled workers in commercial real estate—things were humming along.

The job market was "very robust—[for] all property types, all positions, entry-level to C-suite," says Jana Turner, CPM, principal of RETS Associates, a recruitment firm in Newport Beach, California, that focuses on the real estate industry.

For most asset types, development was running at a fervid pace, Turner says. Positions were available along the supply chain, from design and construction to tenancy, and talent was scarce.

This tight labor market impacted property management companies in staffing their own firms and properties. Markets varied somewhat in the types of talent and asset types in demand, but generally, property management firms were competing among themselves, sometimes fiercely, for good employees.

Evolving skills

The competitive labor market also impacted the industry and the skills needed to carry out the property management function. For example, in 2019 and early 2020, property managers and their tenants were making headway in catching up with the coworking craze by adding new building and office amenities.

Companies used those amenities—modern fitness centers, in-suite coffee shops, hoteling fit-outs—to attract and keep talent. Tenants were also deep in the talent wars, and their office spaces were becoming a bigger part of their pitch to prospective employees.

Amenities were the name of the game on the multifamily side, too, as communities competed for residents with ever-more creative offerings and services—wine cellars, movie theaters, recording studios, and sustainability features are just a few examples. Industrial saw intense growth and tenants with high-tech warehousing and logistics systems.

These dynamics shaped property management. Companies needed adaptable managers who could keep

up with the changing demands of tenants and residents as well as the rush of new technologies and services. Even though the property management industry and its job market were robust, things seemed to be in a constant state of flux. But in a good way—the property management industry seems to be at its best and healthiest when some degree of change is a constant.

Everything changes

Then COVID-19 came along. The economy hit a standstill as the world shut down. Most companies had to shuffle resources and go into revenue-rescue and cost-cutting modes. Too many had to take the unfortunate step of thinning their workforces. By April 2020, the **unemployment rate had shot up to 14.7%**.

Millions of square feet of office space stood empty as companies moved to virtual environments. Shopping centers closed, except for essential services. While multifamily and industrial properties remained occupied, for the most part, the needs and concerns of residents and tenants drastically changed. Residents stayed put during the lockdown, and warehouse and logistics tenants dealt with pandemic-stressed supply chains. Property managers hunkered down with the rest of the world, while they responded to vastly different concerns, compared to the beginning of the year, on the part of their owners, tenants/residents, and teams.

And we all waited. Waiting has been a big part of pandemic life and work. Waiting for things to open back up. Waiting for our jobs to return to prepandemic conditions, to what we knew before. Waiting both at home and in the workplace, even as the home became the workplace, and even as we're now accepting that we aren't,



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—Jana Turner, CPM,
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AMO

or at least shouldn't be, waiting for anything, except perhaps for the slow rollout of a vaccine. We're in a new normal, and that new normal is changing the job market, the recruitment process, and the skills, tools, and help that a workforce needs to be successful.

Properties need managers

First, let's consider the job market for property managers as we look ahead to 2021. Surprisingly, or maybe unsurprisingly, given the lesson from the Great Recession roughly 10 years ago, "these properties still need managers," says Turner.

There are greater differences by asset type compared to before COVID-19. "Industrial product type is very hot," she continues. "You can't find enough talent. However, clients are easing up experience requirements a bit. They're accepting other product type experience, especially if a candidate has had some industrial experience."

Retail is a different story, of course. Turner points out: "A large developer/mall owner we work with put its director of construction on pause since April. The tenants are struggling to pay rent, and all capital projects have been put on hold."

"Office hiring is reducing about 10%," she continues. "Companies just aren't hiring entry-level. They're deciding, 'We'll make do with what we have.'"

Overall, though, property management remains strong compared to other commercial real estate roles. Turner explains how she sees more owners choosing to outsource their management. "There are so many regulations on what an owner is required to do to control the pandemic, and tenants are requiring it," she says. For that, the landlords are going with the pros.

The key is getting the right people for the right situation and property circumstances. "Cushman & Wakefield's Asset Services platform is being very intentional with proactively hiring and recruiting people who meet the specific needs of owners and each asset's unique tenant base," says Marla Maloney, CPM, president of Asset Services at Cushman & Wakefield, AMO, in St. Louis.

For this reason, a generally high unemployment rate and motivated job seekers in other industries don't result in plenty of new, cheap talent in the property management field. "There's not a plethora of A-level talent out there," says Turner. "Employers think they can get [new employees] at a reduced price. However, for key talent, you have to pay the market rate."

A sea change in hiring and interviewing

With property managers still in demand because of new owner and tenant/resident needs, your recruitment game has to be on point. And you have to hire the right way for the times.

Maloney explains how Cushman & Wakefield Asset Services is approaching hiring as we move into 2021: "The majority of our interview processes are completely virtual via video conferencing platforms that allow us to gauge a candidate's presence, personality, and whether they are the right fit for our team, firm, and clients."

She says that candidates for some positions, like engineering and maintenance roles, need to come in to see the site where they'd be working. However, in these cases, they "are following proper protocols to help ensure safe interactions between our staff and prospective employees." This strategy has been successful. "Overall,

What happens after that candidate accepts the offer is an area companies need to shore up in this new normal as they look to have a successful 2021. Onboarding in the Zoom work environment is critical.

COVID-19 has not inhibited us from hiring exceptional candidates, and our applicant pool has remained very strong," Maloney says.

"Everyone has adapted quickly to video interviewing," says Turner. "Many of our clients are willing to go from A to Z through the hiring process never meeting the candidate in person. They see how efficient it is." While some firms are having the final interview in person, continues Turner, with social distancing and all the other protocols, the virtual recruitment process has worked well.

Pay attention to onboarding

What happens after that candidate accepts the offer is an area companies need to shore up in this new normal as they look to have a successful 2021. Onboarding in the Zoom work environment is critical. "The onboarding process has also become increasingly virtual with more calls vs. in-person meetings to introduce new team members to their leaders and colleagues," says Maloney, of Cushman & Wakefield's work with new hires.

"Companies need to invest time and money in onboarding," stresses Turner. "You have to keep so close to that new employee; otherwise, they'll feel isolated." She explains that a candidate they placed earlier this year quit after a month or so because of the isolation. "They gave him his computer and said, 'Here you go,' and left him to it."

And that doesn't work—for new or existing employees. "Our leaders

are laser-focused on employee engagement," Maloney says, "and exploring new ways to communicate with and engage their teams" in the virtual workplace.

And that has worked. "Our employees are grateful for the flexibility," Maloney continues. "Whether it's saving them commute time, allowing them to support their children in their new school models, or helping keep them safe with staggered or split work schedules."

Property management is also changing

Just as the robust labor market changed property management and the skills required for the job, our new COVID-19 normal is changing properties and the management they need.

Turner explains how the office sector will change. "We'll see much more flex-office," Turner says. "Landlords will be offering more flexible lease terms and layouts that can easily be changed." Additionally, it is predicted that less office space will be required in the future due to the large increase in remote work environments. However, that story is still to be told.

Flexibility, in fact, is the name of the game, and employers and employees will have to adapt. "The key lesson is flexibility," Maloney concludes. In your companies, properties and people. "As long as we have our people's trust and well-being top of mind, we will continue to succeed in this new normal." ▀