

# Real Estate Capital

By: Daniel Cunningham  
PUBLISHED: 30 November 2020

## NEWS & ANALYSIS

# Diversity in RE finance: Part 1: Intent through targets

In the first of a six-part deep-dive into diversity in the property debt industry, BentallGreenOak's Jim Blakemore discusses his firm's hiring target

Pinning down the extent of the diversity problem in Europe's real estate finance industry is difficult.

As a subset of the property sector, debt professionals are scattered across banks, insurance companies, investment management firms and consultancies. Specific data on the composition of Europe's property finance workforce is just not available.

But data are emerging on the scale of the problem across the wider real estate sector. A September report by UK cross-industry organisation the Bridge Group showed that white men occupy 64 percent of senior positions in the country's larger property companies.

Some argue that the specialist field of property debt, which draws its personnel from a variety of professional backgrounds and is international in scope, is more diverse. But most agree it needs to become far more inclusive.

The killing of George Floyd in May by police and the subsequent Black Lives Matter protests sparked a global conversation about racial justice. The events also pushed diversity and inclusion up many industries' agendas. In private real estate, Sonny Kalsi, chief executive of US-based manager BentallGreenOak and



Jim Blakemore

himself an American of Indian heritage, was most outspoken. He announced during an interview with sister title PERE that 66.7 percent of new hires would be people from ethnic minorities or women.

Kalsi is not alone as an influential industry figure with diversity on their mind. Real Estate Capital spoke to six leaders, five from within Europe's real estate debt industry and one a prominent recruiter for it.

We asked each to tell us about the industry's barriers to inclusion and what

might be done to break them down. "We're not going to see sustained change in our industry unless it's important to white men to see that change." So said Sonny Kalsi, chief executive of BentallGreenOak, to sister title PERE on the real estate manager's 66.7 percent minimum recruitment target for women and people from ethnic minorities.

Jim Blakemore, the firm's London-based global head of credit investing, is one of those white men. As a senior executive leading a team of more than 60 in Europe and the US, hitting the target is partly his responsibility. Blakemore says women make up around 50 percent of the debt business, but he admits it lacks racial diversity. When it was formed in 2012 as part of start-up GreenOak, the lack of a graduate training programme meant Blakemore had to look for people with two to three years' experience in property lending.

"As an industry, it's been easier to let the big banks or the brokerage houses hire and train people," he says. "Some have done a good job on diversity, but others haven't. It means, right now, we must alter our approach to recruit a more diverse pool of candidates. We need to be explicit with recruiters on the importance

of drawing on a wider range of diverse candidates.”

Blakemore acknowledges that his firm’s fiduciary duty to its investors and borrowers creates a pressure to find experienced people for senior roles. This makes it hard not to recruit from the relatively homogeneous pool of talent that already exists. “If you’re hiring someone today for a senior role, they will likely be 45 years old, so more than 20 years out of university,” he says. “It means you’re looking back on a problem that was created a long time ago that we need to be intentional about correcting.”

BGO’s executives have been tasked with identifying students from minority backgrounds for paid internships. Blakemore brought the first candidate, known to him through his daughter’s

sports team, for an internship in which she is providing support to the debt team. “I get a lot of calls from clients or contacts saying: ‘I know this young guy, currently at Harvard who wants work experience’. We need to flip it around, so we are asking people in our team if they know of promising young people from underrepresented groups who have nobody advocating for them.”

He acknowledges there is much to do to make his team racially diverse and says his motivation to effect this change stems from how much gender diversity has benefited the debt business: “Women are undervalued by less open-minded organisations, so we have been able to hire high-calibre people in situations where there might have been more competition for a male candidate.”

BGO’s 66.7 percent hiring target takes a broad definition of diversity. There is no specific target for people from minorities. However, Blakemore argues that overlooking racial diversity is not an option. Although he concedes it would be difficult to further break down the target at this stage, he says there is a genuine intention for it not to become an exercise in window-dressing. He says BGO’s leaders recognise the strategic importance of a diverse talent base to its aggressive growth plans in cosmopolitan markets around the world. He argues that diverse perspectives and experiences will better inform the firm’s investment decisions.

“I want to be able to look back in 10 years and say ‘we made our company stronger and better because of our actions on diversity’.” ■