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## "How does a counselor learn to be a counselor?" Part 2

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Part 1 appeared in the October 8th edition of NEREJ in the Appraisal and Consulting section. Avery then introduced Jill Hatton, CRE who worked at Blackrock, with a large real estate institution's prospective.

How did Hatton discover counseling? She stated that a person needs a role model and hers was a professor at University of Wisconsin. She worked on case study counseling in college and then proceeded to work at large firms on advisory work. Jim Curtis, CRE, another U of Wisconsin graduate, mentioned to her that she should become a Counselor. She found CREs as a level of high quality professionals. The CRE organization was not large therefore the member relationships were more personal and of high quality. She felt that becoming a CRE was a chance to learn from others and from other colleagues in the field, a sharing of ideas and a sharing of problem-solving.

Where is Counseling in the next few years? Hatton feels that the global market will significantly impact counseling moving forward. Global real estate professionals will need expertise in specific markets that they cannot handle and a CRE with local market expertise will be the "differentiator". Clients who are global want to know about specific market trends and a CRE will be able to provide that information. CRE has a broader approach of knowledge. In the future years, the ability to have access to global solving skill sets will be critical. Global players will tap into CRE as a benefit to reaching the CRE broad network.

Another impact of the global market is technology, information flow and data globally. This impact will require CREs to step up their game to international real estate activities, knowledge and nuances.

The final panelist was Web Collins, CRE, senior appraiser/partner with CBRE and Avery asked Collins how he came into the counseling industry? Collins originally worked at John Hancock Insurance and in 1964, he shifted his work internationally. He was able to benefit from the Hancock experience as Hancock had \$400 million per year of loans throughout the U.S. That amount of loans was considerable in the 1960s and was one of the largest pools of loans in the country. Collins was assigned to work on \$ 25-30 million of those loans. After working at Hancock, he worked with a REIT and also met John Gardiner, CRE. Web also enrolled in a 5-day real estate course operated by CREs. That specific 5 day course turned Collins onto counseling and he eventually earned his designation in 1972. Since 1972, Collins has experienced the counseling profession evolving. It was considered premier in the real estate profession. People went to Counselors in the 1970s when they had real estate problems. CRE was the resource that real estate professionals used. CREs were the leading edge of advisory work. Then competition entered the advisory industry from large firms. Transaction counseling evolved into "counseling" and that is where we sit today.

What is a real estate counselor? Collins referenced and summarized a 1963 booklet published by the American Society of Real Estate Counselors. The booklet describes counseling as a new type of

profession. You need a committed client and you need to be committed to your clients. You have to think "out of the box" to approach real estate problems. Another characteristic is the ability to grow and to be better on each assignment and to improve on the next report. In summary, every report is different and unique. Each report should start with a description of the nature of the problem, the methodology the counselor will employ to solve the problem and then offer recommendations. A counselor never knows who will be reading the report besides the client. It is all unique and the Counselor has to represent his/her best work on each customized assignment.

Where are we (counseling) headed? Web stated that in the year 2000, the Boston market size was 167 million s/f of commercial space and now, 10 years later, there is 200 million s/f of commercial space. In 2000, there was 10 million s/f available and now in 2010, there is 40 million s/f available. So the absorption rate over the last 10 years has been only 4%. Collins referenced Ray Torto, CRE and his colleague at CBRE, who believed that jobs will be regained by 2013 from 2007. Based on this information, if all the office space was rented to support the lost jobs that are regained by 2013, the vacancy level would only decrease to 12.6%. The vacancy rate would still be double from 2000. We have had a 10 year flat market and he believes it will continue until 2017-18 when we eventually grow out of this problem. He felt that today, the place to be invested is apartments.

He concluded that the times we are in now are turbulent and there will be more work moving forward for counseling services rather than appraising services and value is an integral part of counseling. The chapter would like to thank John McLaughlin for organizing the event, Jon Avery as moderator and the panelists individually.

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