Lessons Learned, Lessons Shared
A Profile of a Successful Researcher: Doug Casey
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INTRODUCTION

Prelude

This is the fourth in a series of Executive Profiles of research-oriented industry leaders conducted by Jim DeLisle, director of the Runstad Center for Real Estate Studies at the University of Washington. These interviews are intended to highlight the career paths of successful retail executives who can serve as role models for Next Generation executives, as well as provide some career advice from industry veterans. The interviews are directed at both professional and academic audiences, especially Next Generation professionals and those interested in integrating a research component into their career paths.

Rationale

There are a number of paths that professionals can navigate to a successful career in retail-related real estate. The main rationale behind this series is to provide a forum that will provide an opportunity for successful professionals to share their “lessons learned” and the insights they have gained through experience with those who are embarking on, or changing, their careers. A secondary objective is to help the real estate discipline continue to evolve – advancing professionalism in the field which, by definition, is interdisciplinary and complex. In this environment, it is important to tap into industry experience to help individuals and academics identify the combinations of knowledge, experiences, styles and relationships necessary to excel as a leader of the Next Generation professional movement. This series is intended to provide professional case studies that can be used to fill this need and establish some basic parameters that can provide meaningful career guidance.

Subjects

This series of Executive Profiles focuses on individuals who have incorporated “research” into some phase of their careers. Some of the interviewee’s careers remain in research, as they continuously hone their skills, while others have moved on to different functional areas. Regardless of current or future career choices, we will explore to what extent the mindset and skills cultivated in research roles have been instrumental in their professional development, and how they have built on that foundation. Mr. Doug Casey, Managing Director, ING Clarion Partners, is the fourth in our series of interviews.

Doug Casey
Managing Director, ING Clarion Partners

Doug, thank you for giving us the opportunity to gain insight into your career, and your perspective on what it takes to succeed in retail-related real estate careers. To begin, please describe your current position and responsibilities.

I am a Managing Director of ING Clarion Partners, part of the ING Group of the Netherlands. ING Clarion Partners, based in New York City, has about $22 billion of real estate assets under management, including $6 billion in REIT stocks, about $2.5 billion in CMBS, and about $13-14 billion in private equity real estate investments. At ING Clarion Partners I am a voting member of our Investment Committee, and a member of the Investment Policy Committee of Clarion CRA Securities (our REIT house). I also serve as Head of Investment Risk Management, in which capacity I deal with portfolio balancing issues and with some of the market research issues associated with acquisitions underwriting. I also assist our National Head of Acquisition, Jeff Barclay, with new deal sourcing.

You’re certainly at an interesting point in your career. Let’s turn the clock back and look at how it all started. We’re particularly interested in your educational background and how it has impacted you.
My two brothers and I were raised in Nassau County, Long Island, and were the first generation of our family to attend college. My mother was born in 1913, graduated high school in 1931, and hit the Depression square; my dad was 7 years older, was raised in Montana, and did not have much better luck with his timing. But both were firmly committed to educating their kids, and all three of us have three college-level degrees apiece. In my case, I have a BA in Political Science from Washington, D.C.'s Catholic University of America, a Masters in City and Regional Planning from Ohio State University, and a J.D. from Catholic University’s Columbus School of Law.

At the Catholic University of America, we carried six courses per semester plus physical education or labs, etc., so my undergraduate experience sharpened my work ethic – as inherited from my parents and honed at Chaminade High School. Regarding graduate school, the City and Regional Planning curriculum at Ohio State University provided the vocabulary and concepts necessary to begin understanding urban/suburban development and the forces influencing it.

_Had you always intended to pursue those degrees?_

All through college, I had assumed that I would attend law school, but during the summer of my junior year I encountered an issue of (the now defunct) *Look* magazine, devoted entirely to “Suburbia.” That issue had pictures and photographs of shopping centers, subdivisions, interstate highways….and I was fascinated. That evening I decided to “bag” law school and seek a degree in Urban Planning. The Planning degree led to Hammer Siler George Associates (HSGA), which led to The Taubman Company (TCO), then to Homart Development Co., and then to ING Clarion Partners.

_How much of an impact have these choices had on your career?_

While at Ohio State, I was lucky, really lucky, that Jim Crozier – then head of City Planning for the City of Columbus, a graduate of UNC-Chapel Hill’s Planning program, and visiting professor at OSU – was good enough to recommend me to his friend, Bob Siler – who was then president of the real estate market and economic research firm, Hammer Greene (later George) Siler Associates, in Washington, D.C. While there, I learned some of the techniques for analyzing office markets, hotels, apartment markets, condominiums and industrial markets. I was also lucky enough to meet Jack Gould, who headed HSGA’s retail practice. Jack taught me a huge amount, and was generous enough to make sure I met people in the business and attended the ICSC Convention, starting in 1973 or 1975 or so. Through Jack, I did studies for all sorts of firms, some of which are still with us – some of which are gone or transformed – but all of which were industry leaders then: Rich’s, Saks Fifth Avenue, Sears, Roebuck & Co., B. Altman, The May Department Store Co., Homart Development Co., The Goodman Company, The Kahn Company, The Cafaro Company, The Pyramid Companies, Jacobs Visconsi and Jacobs, Cousins Properties, Melvin Simon and Associates, and undoubtedly some other fine ones I am mistakenly omitting. So, I learned about department store strategy analysis and sales forecasting, about shopping center and downtown development feasibility analysis, about shopping center expansion/renovation analysis, about development impact analysis … all that “good stuff.” But after 10 years of being a consultant, sort of on the outside looking in, it was becoming time to be part of an organization that actually built and ran things.

_Help us understand those first couple of career moves and how they built on your academic training._

I started at HSGA with some basics, a work ethic, and a desire to learn; but I surely did not know enough to justify even my modest pay. Despite my degrees, I realized that much had to be learned on the job. I think that degree programs at any of a number of fine universities are more finely focused now. After some consideration of joining the Research group at Dayton-Hudson (now Target) Corporation in 1978, a friend of mine at The Taubman Company–Bob Schout, who was also head of Marketing Services (then TCO’s name for Research) – introduced me to Bob Larson. Bob would ultimately become vice
chairman of TCO, would play a major role with the Resolution Trust Corporation in the early 1990s, and would head Lazard Frères Realty. Bob hired me into TCO in 1980, where I stayed for less than a year, but saw – up close and personal – the magic of the big development firm.

In the fall of 1980, Arthur P. Solomon, who also was head of Lazard Frères Realty at one point in his career, gave me the opportunity to become Head of Research at Homart Development Co., the real estate development subsidiary of Sears, Roebuck. It was a chance to work with a firm with an aggressive business plan and a real commitment of capital from a large, publicly traded parent with shareholders’ money (at least then) to invest. So I went to Chicago.

After seven years as Head of Research at Homart, with a staff that numbered 15 at its peak (and included Mike McCarty, now SVP, Research and Corporate Communications at Simon Property Group; Jim Brand, Head of Research and Real Estate Strategy at The Limited; and Jim Farrell, now SVP, Development at Westfield, among others), I transitioned to the Regional Mall Development Group to help identify sites and centers to acquire. By 1993, Sears was cutting off funds for that activity, and later that year I exited Homart, and was invited to join ING Clarion Partners’ predecessor as Senior Director, Head of Investment Strategy & Research. Steve Furnary extended that invitation on behalf of his partners, and it has been a great ride … almost 12 years now.

**When did your immersion in retail begin?**

At HSGA, Jack Gould’s practice was flourishing when I got there, and during one of the firm’s weekly Monday morning planning sessions, Jack claimed my time. It began with a trip to Pensacola to do field work on the proposed University Mall. Jack liked my work, kept giving me assignments, and I started my retail work with him. I always tried to set some time aside for non-retail work, though, and that was a help with Homart, which in 1979 had decided to try to expand its development activities beyond regional malls only.

**Which positions have you found to be the most rewarding, and where did research fit in?**

Of course, where I am right now is the Best Ever! But each previous company had real strengths which I was fortunate to experience and learn from. HSGA introduced me to Jack Gould, and provided me with first-hand experience with markets from Boston to Austin, resulting in knowledge which is still helpful. More importantly, HSGA reinforced the message that as researchers, we analyze our data rigorously and thoughtfully, and report honestly and accurately what we have found. TCO was interesting because of its commitment to creating first-rate assets, and to seeking out – one by one – those individuals who could help the firm do so. Homart was interesting because, during the 1980s, it was the most active mall developer in the U.S. The firm built or had a partnership interest in more than 20 new malls that decade, and had an extensive power center/community center development program, as well as an active, 1980-1986 office development program. And the firm made an early call to cease office development with its Glendale (Calif.) City Center building in 1986. Homart was particularly interesting because it was the first place I had been where real estate development was simply one of many activities of a broadly diversified publicly-traded company, and was analyzed like any other line of business. The lesson there was: If you’re going to be in real estate, you better understand investment performance and finance.

**In addition to your professional roles, you have been active in industry associations. Give us a little insight into that activity and how it has affected your career.**

During the almost 36 years spanned by my activity in real estate, ICSC has been particularly important to me. John Riordan was good enough to invite me to participate in the Research Steering Committee when he was gearing it up during the mid-1980s, and John Chapman, while ICSC’s Head of Research, kept me involved with the Committee. Later, during the mid-1990s, John Riordan invited me to do some writing for the ICSC, which resulted in several White
Papers and Annual Retail Sales Reviews. Writing has been an important part of my participation in our industry; in 1993 Homart had me write a White Paper on “The Future of the Regional Mall, 1990–2000” in response to negative articles that had appeared in Barron’s and in Forbes. After arriving at the predecessor firm to ING Clarion, I wrote “Perspectives on Power Centers,” when analysts were still trying to figure out that center type. That document became the basis for the ULI book titled Developing Power Centers. I have written other things as well, including “Perspective on the US Apartment Market, 2000–2010”, which has contributed to Clarion’s residential investment strategy. I am going on for too long, but do want to mention a White Paper I wrote six years ago – based in large part upon my work for ICSC–on Internet retailing, which was published in the Pension Real Estate Quarterly and helped to define the actual extent, nature and growth of Internet retailing at a time when the industry needed light shed on that issue.

The Urban Land Institute has captured some of my time as well. I was active on its Research Committee, was on the “Dollars and Cents of Shopping Centers” Steering Committee, and have been Chair of the Commercial and Retail Development Council. ULI and ICSC have differed on some issues over time, but have cooperated – to the industry’s benefit – as well. Many members of ULI are senior officers of ICSC member companies, so participating in both organizations can be very helpful to sharpening one’s understanding of the industry, its participants, its issues and its times.

**You have certainly worked with some interesting professionals over the years. Which associations would you say have contributed most to your career success?**

Answering this question is an opportunity to slight persons who have been important to me. I hope that I don’t. I would suggest that a number of persons can be significant influences on our careers: parents, teachers, mentors, colleagues, bosses, subordinates. I have been fortunate to know wonderful persons in each of these categories. But the biggest influence on each of our careers is our own self: our work ethic, our passion for the research process and the research product, our resilience in the face of disappointment and adversity. The only person who can make you show up on time, work your hardest, and care about your work and your client is yourself.

Unfulfilled promise is all around us; the person who will walk through walls to do the job right is a joy to behold. That having been said, I know too well the help I have received from my parents and brothers; from Jack Gould, Phillip Hammer and Bob Siler; from Bob Larson; from my colleagues and bosses at Homart; from my colleagues and the Senior Partners at ING Clarion; from May Company’s former Head of Research, Ed Brandt; from John Riordan, and from countless others. None of us are effective without help, especially me.

**Developing a successful, sustainable career is never simple. What has been the most difficult challenge in your career?**

My exit from Homart in June 1993, just shy of my 49th birthday. As research people, we tend to have very deep knowledge – but very narrow knowledge – at least in comparison to, for example, a general manager type who might be able to run a manufacturing firm and an insurance firm, say, and some other kinds of businesses. We need focused, deep skills and knowledge in order to be effective researchers, but we risk having insufficiently broad skill sets.

So, this square peg needed a square hole … and found one. I realize now that everything in my prior career helped me find the optimal fit. Of particular importance were the ability to analyze multiple property types, not only retail; my work on the “Future of the Regional Mall” White Paper; my reputation among those persons that a prospective employer might contact; and my activity with industry groups, in this case ULI and ICSC. A lesson learned here after years in the business, was that we are each the sum of our good work, and our mistakes, of the goodwill others have toward us, and of the effort we have put into our career. So the message is: Make sure you use your time well.
Over the years I have come to appreciate the fact that real estate is competitive and, as some claim, is a cyclical industry. At the end of the day, real estate is basically a service industry to the economy as a whole and has evolved to its mature stage. Given that the growth rate of the U.S., population is moderating to only about 1% per year, finding the opportunity to have an above-average career experience, with above-average levels of compensation, can be challenging. Key challenges will include finding the right firm, which captures the right opportunities in our large, increasingly diverse, but moderately growing market.

You’ve given us a lot of insight up to this point. What was the best opportunity in your career and what was the best “missed” opportunity?

The best decision I made was long ago, when, after leaving grad school, I decided to seek a career in the private sector rather than with a public-sector planning entity. In terms of my best “missed” opportunity, the answer is less obvious. As I have pointed out, each place I have been privileged to work has provided me with great colleagues, superiors, and experiences. In hindsight, I might have hung around Bob Larson at TCO a bit longer; he is an unusual guy. But, who is to know? ING Clarion is remarkable.

What have been the key events in shaping where you are today?

A few key events: 1) Reading that 1965 edition of Look magazine, which set me on the path to the planning degree; 2) Jim Crozier’s recommendation to Bob Siler; 3) Bob Larson’s invitation to join TCO. Each of these influenced the range of future opportunities I would encounter at later stages in my career.

Have you had a particular mentor who has influenced the path you have taken?

If I had to pick one person who played the role of mentor in the public arena, it would be Jack Gould, who introduced me to the world of retail real estate. Each of us needs someone to say, “Hey – try this … you may find it interesting!” Jack did that for me, and set a direction for my career. Of course, my mother spent 20 years thinking it was Jack’s fault I never practiced law!

Have you made any big mistakes or have any regrets along the way that you’d be willing to share?

Well, I’ve made a few mistakes along the way, but fortunately too few to mention and none that were fatal in terms of my career. In terms of regrets, I wish I had carved out time to become more computer literate and to learn ARGUS.

What lessons have you learned along the way?

I’ve developed a long list: give yourself a chance to get lucky, get educated, show up on time all the time, keep your ears open, and read. If you do all this and work hard, you just may get your shot. Having industry affiliations is critical both to learning and to making contacts. Suggested industry associations include ULI, ICSC, NAIOP, and NAREIT, and academic associations including the Real Estate Research Institute (RERI), the American Real Estate and Economics Association (AREUEA) and the American Real Estate Society (ARES). One other thing: when taking that first job, sign on with the very best firm you can. That firm’s image and reputation will influence other people’s perception of you, and will likely influence the range and level of opportunities you encounter later in your career.

What is your perspective on education and what recommendations do you have for academicians?

I believe formal academic education is vital to real estate professionals. The question, of course, is WHAT academic training. In my opinion, there does seem to be a bit of a disconnect between academic course work and the world of real estate practitioners. So, my recommendation to academics is to interact with practitioners to get their insight and advice.

In regards to professional education – it is critical. You’ll find that the people who make hiring or selection decisions tend to weigh background and credentials. Remember, the others with whom you will be competing for jobs or work tend to have advanced degrees. In addition to getting the
credentials, you’ll find that in some programs, you’ll even learn things that make you more effective than you would otherwise be once you do land the job.

**What do you think would be an ideal educational profile for the Next Generation in retail?**

An MBA in Real Estate or Masters in City Planning can be a great foundation. However, at the end of the day, you’ll have to know the right software, so you can deal with the deal people!

**Given your experience, what do you consider to be the role of research in a real estate career?**

It is important. Research has the capacity to reduce the risk associated with real estate investment by clarifying the current and emerging marketplace within which a particular investment would function, and by clarifying the historical return level and the volatility of one property type or another. Prudent management should avail itself of as much of this information and insight as possible. Some do; others don’t.

Research can also help to catapult one to a management position. Characteristics of research or researchers that may lead to a management position include educational background, and expertise with and knowledge of the real estate industry, its products, its performance, and its key geographical markets. However, one must also have good speaking and presentation skills, as well as a knowledge and understanding of the company’s goals and objectives. The bottom line to success: One must develop the ability and willingness to think as a businessperson as well as a real estate researcher.

It also important to avoid the stigma sometimes attached to researchers. That is, a risk to a researcher is the tendency over time to be perceived as the party who says “No, you can’t do that”. Rather than falling into that trap, the researcher wants to say “The research suggests that THIS is what we can do ... .” Over time, management, and especially “deal” people, get tired of hearing “No.” The challenge to the researcher is to remain true to self and to the data and to the analysis, while avoiding being characterized as a chronic “naysayer.” So, one should emphasize the opportunity revealed by the analysis. If the firm can’t make a return off that opportunity, that’s another issue.

**Any additional career advice?**

If you’re going to be successful in this field, you’ve got to start with a love for real estate; you’ll find that everyone you will be dealing with will love it, so you’d better as well. We are talking money here—not just yours. Love details—you will be expected to articulate and defend you point of view, especially if your perception of an opportunity is not as grand as the deal person’s, or management’s, or the partner’s. Experience is critical over time, although everyone has to get their first real estate job. When you start your career path, establish a track record of having done well whatever you were asked. Make sure you have the necessary skill set and learn how to speak clearly, think clearly, and write clearly. Be numerate and be computer literate; know ARGUS (or ProJect). In terms of mind-set, when you start, you must be willing to walk through walls, you must be willing to work long hours while remaining enthusiastic and cheerful. After all, you’re getting paid for learning. Finally, while networking is critical, it can be tough. While it’s natural to relate to persons of your own age/status, do not be afraid to introduce yourself to individuals who seem older or are more advanced in their careers. Remember, they were once young and just starting out, and with a few exceptions, you’ll find in general that they are more than willing to chat.

**Do you have any pointed advice to women or others trying to break into this business?**

Let me speak briefly to this point. Get educated as well as possible; work like crazy; give yourself an opportunity to succeed. I cannot speak for all firms, but I do know that many, many firms are seeking the individuals who will help them succeed AND become more diverse.

**Doug, on behalf of ICSC and future industry leaders, I would like to thank you for your insights and wish you the best as your career continues to unfold.**