



## **The Empire Club Presents**

# **THE EVOLUTION OF THE REAL ESTATE INDUSTRY: DIVERSITY, CULTURE AND WORKPLACE**

**WITH**

**SCOTT ADDISON, SHEILA BOTTING,  
MICHAEL BROOKS AND TONI ROSSI**

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June 13, 2017

**Welcome Address, by Paul Fogolin, Vice President of the Ontario Retirement Communities Association and President of the Empire Club of Canada**

From the One King West Hotel in downtown Toronto, welcome, to the Empire Club of Canada, once again. For those

of you just joining us through either our webcast or our podcast, welcome, to the meeting. Before our distinguished speakers are introduced today, it gives me great pleasure to introduce our Head Table. I would ask that each of you at the Head Table rise when your name is called and then be seated. At this point, this is typically where the master of ceremonies says hold your applause to the end, but we do not operate like that at the Empire Club, so clap as much as you can for each and every guest. They are all worthy of your applause.

### **HEAD TABLE**

Distinguished Guest Speakers:

Mr. Scott Addison, President, Brokerage Services, Canada, Colliers International

Ms. Sheila Botting, Partner and Canadian Real Estate & Construction Leader, Deloitte

Mr. Michael Brooks, CEO, Real Property Association of Canada

Ms. Toni Rossi, President, Real Estate Division, Infrastructure Ontario

### **Guests:**

Mr. Peter Altobelli, General Manager and Vice President, Sales, Yardi Canada Ltd.

Mr. James Burton, Partner, Percy Ellis Holdings

Mr. Sam Jaishankar, Team Leader, Marketing, Yardi Canada Ltd.

Mr. Jim Medeiros, CFO, Bluesky Hotels & Resorts Inc.; Director, Empire Club of Canada

Ms. Antoinette Tummillo, President, Antoinette Tummillo and Associates, Inc.; Director, Empire Club of Canada

Once again, my name is Paul Fogolin. In my day job, I am the Vice President of the Ontario Retirement Communities Association and the President of the Empire Club of Cana-

da. Ladies and gentlemen, your Head Table Guests.

I am also pleased to say that we have a group of students from Centennial College. A warm round of applause for our Centennial College students.

Thank you to Brookfield Global Integrated Solutions for sponsoring our students today.

The real estate industry, like many other industries, is evolving. Some would argue, however, that the evolution as it relates to diversity in the workplace and the overall culture is moving far too slow. Most of you here today are involved in some way, shape or form in the real estate industry. While we have a very good-looking crowd today, I do not know if you would say it reflects the true diversity of the city of Toronto. In truth, however, the story of diversity in the real estate industry is not all bad news.

This afternoon, our expert panel is going to shine the spotlight on the notable progress that has been made to date. They will also provide their perspectives on why change has been so slow and what they and their organizations are doing to accelerate that change. With representatives from government, brokerages, owners and the professional services sectors, we have all the bases covered for a very lively discussion.

It is now my pleasure to introduce our panelists. Why do you not join me on stage as I read your highly abbreviated biographies. We would be here all day if I read their full accomplishments. They are available on our web-

site, for those who are interested.

Our moderator, today, Sheila Botting is a Partner and Canadian Real Estate & Construction Leader at Deloitte as well as a member of Deloitte's Global Real Estate & Construction Executive. Sheila is responsible for Deloitte's full-service offering to the real estate industry, which includes some 600 employees operating across 56 Canadian markets. She was also responsible for Deloitte's corporate real estate program, and played a key role that led to the transformation of the firm's office portfolio of almost 2 million square feet across Canada. Sheila has provided extensive real estate expertise to corporations, government, real estate companies, investors, pension funds and others involved in the industry. Her vision and expertise have helped Deloitte to transform its "Workplace of the Future," resulting in significant workplace improvements, productivity gains and cost savings across Canada. Ladies and gentlemen, Sheila Botting.

Scott Addison is President of Brokerage Services, Canada, of Colliers International, and he has been an active member of the commercial real estate industry for over 25 years. Scott executes the national brokerage business strategy throughout Canada. His focus is on both organic and strategic growth of Colliers. Strongly committed to client satisfaction, Scott fosters a culture of collaboration, service excellence and market-leading project execution. Scott is dedicated to maintaining the Colliers brand as the best in-

class service provider, accelerating the successes of each and every Colliers client. Ladies and gentleman, Scott Addison.

Beside Scott is Toni Rossi. Toni is the President of the Real Estate Division of Infrastructure Ontario. A 25-year commercial real estate professional, Ms. Rossi leads the planning, transactions and overall management of the province of Ontario's 46-million-square-foot and 150,000-acre realty portfolio—wow—and she recently served as Interim President and CEO. Ms. Rossi was a key member of the Executive Team merging the Ontario Realty Corporation and Infrastructure Ontario in 2011. Before joining the Crown corporation, Toni was in Development at Oxford Properties. The majority of her real estate career was with Cadillac Fairview, where Toni held many retail and office property management, business reengineering, national operations and marketing positions. Let us welcome Toni Rossi.

Last, but not least, we have Michael Brooks, the CEO of Real Property Association of Canada, the senior Canadian trade association for large public and institutional investment real estate companies. Michael is also an adjunct professor at the Ted Rogers School of Management and a former commercial real estate lawyer at Aird & Berlis LLP. REALPAC represents the investment real estate industry in government relations, public relations and standard setting. Michael has represented the Canadian real estate industry

in all major policy initiatives with government at all levels. Michael is the author of *Canadian Commercial Real Estate: Theory, Practice & Strategy*, the first national textbook of its kind in Canada. Let us welcome Michael Brooks and the rest of our panel.

### **Addison, Brooks, Rossi, and Botting on the Evolution of the Real Estate Industry**

SB: Terrific. Thank you so much. Thank you, everyone, for joining us this afternoon for what I think is one of the most important conversations for the real estate industry. For those of us who have been in the industry for a long time, you recognize that this is *truly* an opportunity.

The format of our conversation is I will kick it off, share some facts and stats, and then so on down the panel. And then we will open it up for Q&A with everybody. Feel free to think of your most provocative question ever to ask our esteemed panelists because they are dying to answer the tricky questions. We hope to have a very engaging conversation.

To kick it off, what you do not know about me is that I have science degrees, several of them, focused on ecosystems. When you do six years of science, and you study the evolution of the commercial real estate industry, you realize, if you pay attention to Darwinian

theory, that monocultures tend not to do very well and that, in fact, diverse cultures can thrive and flourish. When you think about that from a science perspective, it makes a lot of sense. Crops get wiped out when they are a monoculture. Diverse cultures do really well.

Then I have now come to Deloitte where we talk about ecosystems every day of the week. It is shocking how suddenly ecosystems are one of the most important elements of what we do. Diversity in our ecosystem is absolutely crucial. I have handed out this little book, so do not bother reading it until later, but just to give you some of the key facts, it has literally only been the last, I will say five to seven years that here, in Canada, we are starting to pay real close attention to diversity, diversity at the board level, diversity at the most senior ranks of any kind of organization. When you think about what the benefits of diversity are—and that is both, of course, the male/female diversity, along with cultural diversity, and, I would add to it, technical diversity—whether you are a leasing person or a construction person or an asset manager, having that diversity of thought in any kind of decision-making, any kind of process, provides for a much better high-performing organization, high-performing culture, high-performing workplace and a place where employees are truly engaged. In the absence of that, in the absence of just all one single monoculture, you

cannot get the best of the organization; you cannot engage people; you cannot have a provocative dialogue about all kinds of outcomes.

I worry that in commercial real estate—think about the nature of our business—we are largely order takers. We are waiting for the lease to happen. We are waiting for the tenant to tell us something. We are waiting for the pension fund to tell us they want to sell an asset or to do whatever. When you layer that on to some of the more conservative natures as us, as Canadians, you say we really have to get in front of this issue. Diversity is a really important conversation. It will drive productivity, profitability for your business; it will drive employee engagement, and it will drive far better outcomes for everybody involved. That is the base case. And there are tons of steps in here if anybody really wants to get at some of the stats and ask some of the questions. I am going to turn it over to Scott Addison to talk about this within the most tricky of all sectors, and that is the commercial brokerage industry, and what that means to Colliers and to your own view.

SA: Thank you, Sheila. I do not know if it is the trickiest of all sectors, but it has been challenging. That is really what I want to talk about here. We know that people go through change. One of the first elements of change is awareness. At Colliers, we are acutely

aware that our brokerage division does not have a lot of diversity. I am probably the black sheep up here on the podium, and I will acknowledge that. That does not mean our hearts and minds are not fully supporting diversity and that we do not want to get there. We have had quite a long history of trying to get more diverse.

Diversity, for us—we are really focused on trying to change that male/female balance in our industry. It has come with a lot of challenges and a lot of stories. They may sound like excuses to some of you in the audience who say that it is easy: “Just mandate it; just change it.” We found that change does not happen that way. There are a number of changes going on. We really started to focus in where we want to put change and put a lot of focus in that area. Right now, our change is that male/female balance.

I have seen a lot of change in our company. We have gone from being owned by the employees just 15 years ago, to being part of a publicly traded company, to being a publicly traded company just two years ago. Each one of those stages, as we have gone through it, has brought more clarity and transparency to things like diversity and, of course, EBDA and profit revenue growth. Diversity becomes part of it. That has been a good process. I think what you will see is the publicly traded companies will lead diversity, especially as analysts start looking at how diverse your workforce

is, and it is for all the reasons that Sheila just mentioned—diversity is a good thing. We recognize that.

Saying that, that our hearts and minds are there, why has it not happened in the commercial real estate brokerage division? I want to be clear on that, too. We have a lot of employees that are in a property management valuation. That is a much more diverse culture. Brokerage—well, first of all, the problems: Sitting up here, middle-aged, maybe older, white guy, who loves sports and wants to build a team of people that collaborate, that work as a team. Despite the fact that I am a father of two daughters, I have a mindset that subconsciously is looking for people that are good athletes and team athletes, heavily weighted towards males. Our management team across Canada in brokerage is a reflection of me. Why? When we look back at it, going back the 20 years now that I have been somewhat involved in management, you tend to hire in your image because, hey, we are doing well, and we are doing well because of people like me. I know that is a little vain, but that is the reality of it. We hired strictly from referrals. We get referrals, and if the people referring them to us were like us, then we are interviewing. There is a real bias there.

How do you *change* that? Well, we have looked at that. We have changed our recruiting five years ago. We stopped just hiring the sons and friends

who were referred into the business because very few people will refer their daughters into commercial brokerage because it is an old boys' club. How do you change that? We got much more proactive. We started going to the universities and talking about what the advantages are of being at a commercial brokerage. That made it change.

Our training program—and training is another component of it—went from less than 10% women to over 25% in the last five years. Big gain for us, big change. The problem was at the end of the training program—and the training program is really structured—we were still back around 10% women. A lot of them were getting hired outside in that salary side. We are a commission business. That is a challenge. Women are going to have children and have to take some time off for that. How do you do that in a commission business? We are looking at things like moving to a salary base.

We also realized the problem is me with the hiring. How do we change that? Our head of HR points out things such as if it is all white males hiring, that is what you are going to get. We have started what we call a scouting program. It is three women across Canada. They go into the universities. They do the recruiting for us. Our ratio of people coming in for interview: Nine men, one woman. We have changed that

dramatically in the last few years. That will change. Change is not going to happen overnight, but we are working towards it. It is a real challenge when the subconscious mindset is telling you something different. That is the honest answer. It is not easy. I cannot put hundreds of thousands of dollars into diversity because we have got accountants looking at EBDA. I think that is the challenge with all the public companies. When the analysts start telling you part of their rating is diversity, it will change.

TR: Scott, I think, I probably would have made your team because I actually was a female athlete, a little-known fact. I came through to the real estate.

SA: It is not too late to join, either.

TR: Brokerage, here we come. I came through the real estate industry, similar to Sheila. I do not have a real estate background because, at the time that we were going through university, there were not a lot of real estate programs. Just in general, I think our industry has come a long way in providing that from a perspective of how university students actually get into our industry.

From my perspective—I will talk a little bit about IO, but I am really going to talk more broadly on the public sector or on the Crown corporations—I think, for us, there are three key things that we have been doing at IO. And I think the public sector has

been doing fairly decently in that it has addressed some of the topics and issues that both Scott and Sheila have talked about. Those three things are fairly simple, but difficult to execute. We will start with leadership.

If you want a change to occur, it has to be deliberate and intentional. The right leadership makes the right changes. I will give you a prime example. At IO, our board of directors started at probably a 20% female ratio to an 80% male ratio. That was there for years, the last ten years, easy. There was a deliberate and intentional leadership change that said we are going to recruit, go and find; we are going to headhunt some of the best women around, as well as the men. However, we really, intentionally, went out and found them. Leadership is key.

I will say, leadership starts with—we have a debate about this—always on do you need a quota, or do you need a target? The Ontario government and the federal government, from a public sector perspective, put a target out there. They put a target out there for regulated OSC and companies, but they put a big target out there for Crown corporations, which was that, by 2019, Crown corporations in Ontario must have 40% female representation. That was a target. IO, I am proud to say, came to that target and has now a 50/50 split.

It is not just IO. Metrolinx has a 50/50 split;

LCBO does; OLG. If you start taking a look at Crown corporations, which are, in essence, kind of the hybrid of public sector and private sector, that is important, so leadership is key.

The second key thing, from my perspective, that makes a change is data, data, data. You need to understand what you are talking about. You need to actually get the data; you need to analyze the data; and then you need to report on it. We, at our board—now, I always have my little handy dandy little board show and tell—do demographic data. We talk about diversity at the board. We talk about the female/male split. We talk about who is getting promotions. We talk about who is leaving, why they are leaving. We talk about accessibility. We talk about who we are going to hire in, and we track it. Again, that has not been forever. That has been over the last number of months that we have not just started really focusing in and collecting.

The last thing, from my perspective, that makes an evolution of diversity really is workplace and work programs. I think, Scott, you kind of mentioned some of those programs. We will talk a little later about some of the other ones that we are probably all doing, but you need to have the workplace that allows you to welcome and be inclusive and have diversity of accessibility, of people, but you also need to have

the work programs that bring this kind of dialogue to bear. Because it is real estate, and I cannot say enough that, in real estate, it is location, location, location. But from diversity on these three things, it is repeat, repeat, repeat. Get the feedback; repeat it; refine. Get the feedback; repeat; get the feedback; repeat. Look at what has happened with the federal government and with the prime minister—because it is 2016, and there is 50% cabinet representation. Same at the provincial. We are a little bit less across the country on municipalities. There is about a 28% female ratio in councillors across the country. Today, about 18% of mayors are women. Whereas, in Ontario, our MPPs are about 30%, and, federally, the number is a little higher. Ways to go.

MB: Good afternoon, everybody. Good afternoon, everybody!

TR: You can tell he is a teacher, right?

MB: Come one, wake up.

TR: Good afternoon, Mr. Brooks.

MB: The chicken is in your stomach, and it is digesting it. I am really pleased to be here. Running a national association, this issue is something that has sat in my in-tray for too long, but we have moved very quickly since Toni and Sheila stalked me at the real estate forum in November. Just kidding.

TR: It is true.

SB: Just for an hour we stalked him.

MB: Let me repeat Scott's biases. I have two daughters, both in the workforce. I want them to be economically independent through their whole lives. One of them is off the payroll. To get the other one off the payroll soon would be fantastic.

At REALPAC, a national organization—big companies only, 92 members—we have six of our CEOs who are female, which actually is not bad, given some of the stats, and seven, if I count a Chief Operations Officer (COO). In terms of C-suite numbers, if I went down to the CFO level, that number would jump substantially. There are a number of CFOs of our membered companies who are female.

We had an HR summit last week with the Human Resources Professionals of Ontario—a co-branded event—and almost everybody in the room was female. There are pockets where there is great penetration, but if you looked at acquisitions in our membered companies' constructions, you would see those numbers down quite a bit. In our organization, we currently have ten employees: Seven female, three males, so the men are the minority. I think the wide diversified piece has been pretty well covered by our group. Perhaps, on the gender side, we know we need to get to 50/50 or parity. On the visible minorities and all of the other groups that we talk about, that is 20% of Canada



as of the 2006 census data. It was actually a bit of a surprise to me that we are less diverse in Canada than they are in the U.S.; there are much bigger populations of diverse communities in the U.S. Having said that, that 20% number is probably 25% today.

I teach at Ryerson. Before that, I taught at Schulich. My classes are from every part of the world. For a number of them, English is the second language, and they want to make a home here, want to contribute, love real assets. To take a spin on what Toni said about location, location, location: Bricks are dead. It is people, people, people who make those bricks work. We build the bricks; we rent the bricks out; we sell the bricks. It is all about people. It has always, always been about people in our industry.

What does a trade association do when it is late to the game in starting in this? Well, the first is data. We have amended our compensation study process. We do the biggest and the best annual compensation study in real estate in Canada. We have done it for eight years with our colleagues from FBL, who are here today. It is fantastic. For the first year, we are going to start gathering data for a gender and visible minority breakdown of the workforce in our industry because, right now, we do not have sufficient data to make that case.

We know that in terms of the C-suite, corporate

Canada is around 20% female. We know the OSC has said 30% comply or explain. Even the 30% is probably a beginning number that we need to move up as we go forward. There are a number of barriers. If you were to Google or go on our web page and see all the member companies—Google the executive teams—you will see that it is still predominantly male. How do we break that gap? How do we get more females up into the C-suite, and how do we get more females on the board?

We are thinking about a number of programs. I have my board meeting tomorrow morning where I am first going to pitch my board on our staff-generated diversity program. All of my staff members who are involved in that program are here today. We have looked around the world. What are other associations doing around the world? In the UK, let us just start with their two major trade associations: Nareit has a women-only initiative that they have just started. Pension Real Estate Association in the U.S. is more focused on visible minorities as their opening gambit. They have a program they have had for two years on visible minorities. Australia is, once again, way ahead of us. They are way ahead of us on sustainability in real estate, and they seem to be way ahead of us on diversity. There are a couple of great ideas that we are hoping to steal from them, and I am presenting tomorrow. One is

the panel pledge. All of our members are regularly on panels like this. The Australians have a panel pledge: No male member of that association will agree to sit on a panel or be part of a conference unless there is a female or someone, at least one female or someone from a visible minority, on that panel. I should ask everybody in this room who does public speaking, every male in this room, to take the panel pledge. You may say, “Well, I have marketing objectives; I may have to be up.” You know what? It does not take much for you to push the organizer to have a woman on the panel.

The other thing they have done is set a target on board diversity in Australia. They have a 40/40/20 rule: 40% male, 40% female, 20% visible minorities or other, of either gender. The 40-40-20 rule is actually very interesting because it identifies that we focused on gender. A lot of us have focused on gender as an opening gambit, but it allows us to reflect that 20% of the Canadian population, which is visible minorities. Gender is great, but we have to quickly move past gender, and we have got to get on to all of the other elements as well. There are other elements of our program that I am pitching tomorrow at the board meeting, but that is our start.

TR: Sheila, just before you start—because Michael, you talked a little bit about the association and certainly

taking a panel pledge—there are many associations out there: Toronto CREW, ULI, Women’s Leadership Initiative. We have lots of great women in infrastructure. We have lots of great female associations who have and are promoting things like HeForShe pledging and doing that. It is one thing for an association to take the pledge, but it is another thing to actually follow through on it. What happens when that does not occur? In the industry, we kind of refer to it as ‘manels’. They are no longer panels; they are actually manels. What happens when somebody takes that panel pledge, and you are on a manel? What do you do?

MB: Good question. At the HR summit, there were some manels last week. Is that a word?

TR: Manels have all females.

MB: Manels. I just coined that word, ‘manels’.

SB: Excuse me, what is a ‘manel’?

TR: It is [a panel of] all women, I am sure. He was trying to get the manel, manel.

MB: That will be an interesting discussion tomorrow because there is going to be some fear from the white, male community. Let us get that out there. There is going to be some fear that this is some kind of affirmative action. We are already seeing it on boards. If you are a white male who is about to retire, who is looking for some board positions, and you go to talk to head-

hunters or the board chair and say, “Hey, I would like a board position with your company,” they are likely to say, “Sorry, but we have got to get to the 30% that the OSC has mandated, so we are looking for a female with accounting skills or compensation committee skills or HR skills because we need to gear up.” I think men are fearful of that affirmative action piece.

The panel pledge, I am going to have an interesting discussion at my board tomorrow, and I am probably going to have an interesting discussion at our retreat—bringing that up as well—because people will say, “Do not tie my hands.”

SB: I am going to pick up on that because it is as much about forcing affirmative action versus this nice balance. I had the real privilege of listening to Mike Babcock yesterday. He was head coach of the Toronto Maple Leafs. He was asked this question: “What do you do about diversity for all the great teams that you have worked on?” He said, “Diversity? I don’t really pay attention to it; it just happens. It is just there. I have got women everywhere behind the scenes. On the ice, I don’t care. It is about getting the best, most high-performance players, and I create a safe environment for them.” It was really that safe environment piece that really connected with me because, if you create a safe environment, you create a high-performance team.

The other piece of this is the war for talent.

Ten years from now, 75% of our workforce will be millennials and/or Gen Zs. That is what we are really chasing for: That group, the safe environment. How do we actually get out in front of it so we are not going down affirmative action, so we actually can create this groundswell movement for change? What are some of the additional pieces we can take advantage of?

Actually, Scott, I am going to go to you on this one, because Scott has really got the hardest job in the room, I have to tell you this. Having come from where you are, how do you start the baby steps and start making that change take place in the brokerage world, the deal world?

SA: Our world, the brokers will look at themselves as they are not waiting for a deal to come in. They are out hunting and killing—those are probably the words that they would use to describe it. It is hard to change that mentality. What we have learned over the years—and I am not bragging here, but we have been to Harvard—is about change management. It was a two-day course, just so we are clear. I have got the least education on the panel. You learn the change. Some people are excited and invigorated by change, and other people feel fearful and are destabilized by change.

You have got to move the whole organization. There are 1,000 people in our brokerage; 439 of those are brokers. How do you change those? First of all,

you do create the safe environment. I talked about going from a privately owned company to part of a publicly traded company to a publicly traded company. About ten years ago, we put in a hotline. If there is any disrespect in the workplace, there is a safe place you can go. We did that, and it did not have immediate change because maybe our managers were not the fairest at adjudicating when a complaint came in: "Don't worry about it. That will go away." We have had to really stay close to that and create that safe workforce.

You also have to articulate a vision. I should probably have Sheila come in and talk about why you want diversity in the workplace for those managers and for the employees, economically, EBDA-wise and revenue-wise. If we are excluding 50% of the population from a job at Colliers, we are excluding 50% of the smart people out there and the competitive people out there. We recognize that. You start doing your hiring differently. We tried this scouting program. We are being much more proactive and are going to universities; we are looking at outside and targeting who we want to go after. We are not going to get rid of all our top producers to bring a balance, but we just have to have a 10-year, 15-year plan to bring that diversity. That is how long it may take, but if you do not start, it does not happen. Your education has to be there. Part of our education, we have created within the Colliers

acceleration program for new people. There is training for women. It is called "Taking the Stage," so they feel more confident in speaking in public and speaking in groups and speaking at meetings, and it is all around how to get heard at the boardroom table or the meeting room table. Little things like that, and you just keep trying. If it does not work, you go back and try something else, but you have to articulate that vision of where you want to go.

SB: Toni, I will talk to you. What about affirmative action versus setting the stage in the right directions? How do you calibrate that balance?

TR: It is an important debate because you have just heard about my dialogue on quotas versus targets, but I actually think the target is the better way to go versus a quota because quotas tend to create the wrong behaviour. They tend to fill things for the reason of just filling. To me, and from experience, it is based on a target, so you understand what the need is. We are all here today because we realize that there is room for improvement, certainly, with respect to gender parity, but beyond the gender parity is huge room for improvement from a visible minority perspective, from a perspective of diversity with respect to cultures.

I like what Scott is saying as far as creating a safe work environment for people to then aspire to do more, and you can do that through a couple of means.

One is, from a target perspective, when you actually are transparent about your targets, when you are transparent about what the problem is, when you are transparent about what the gap is when you are trying to fill and about the why. We would like to be a more diverse organization. Why? Well, because the perspectives are better for our bottom line; the perspectives are better for society; we actually get better work; we are working better with our clients in the industry and better with the private sector. That is what our dialogue would be.

You talked about taking the stage for women, well, at IO, some of the programs that we are doing, again, are not gender specific only. At IO, we have something called “IO Speaks,” which is Toastmasters. What we are finding is that it is not necessarily women that are coming in to learn how to be in front of a crowd; it is actually the ethnic minorities. It is the visible minorities that are in there because they, indeed, are the ones that are in need—not in need. But they want to find a way to be in front of senior management, in front of those that are going to make some decisions. To me, that is important.

The other thing, from a program and target perspective, what does your company culture look like? What is it that you are trying to do, and what do you care about? Again, I will speak from an IO

perspective: We do care about inclusion and diversity. We are nowhere near there yet. At the C-suite, we are 50/50 female; at the board, we are 50/50 female. At the C-suite, we have 20% visible minority; at the board, nothing. That is a gap. We also are trying to do things within our company that reflects our employees. We have Pride at IO. We are very big with the LGBT community. We have accessibility at IO. We have, actually, deliberately gone out and tried—and not that it is easy—we have truly tried to find individuals that we could hire. We have two that are in—one now that is in a wheelchair. What that did for us was huge. It changed our workplace. From an accessibility perspective, it changed how we actually interacted with each other because of how Anna interacted and how she needed to do and perform. I think there is real opportunity, as you, Sheila, said, and that, to me—forget about affirmative. I think we get targets; we find the gaps; you are transparent about them, and you fill them.

SB: Here is a biggie where Michael’s membership may get a little bit excited: What if you were to issue an RFP for the marketplace and say, “You can bid on our space. You can bid on our brokerage. You can bid on whatever, but you have to have diversity as part of your RFP submission”? We have all done sustainability, so why not load in diversity to that? Toni, would

you do that? Would that be a good opportunity?

TR: What a great way to make a statement in the marketplace. We have actually done very similar things from a diversity perspective. At IO, we do big, large infrastructure projects in all of our real estate. We are very prescriptive in what we need to do, and it is evaluated. I am not going to say no to that because I actually think we look at our teams. It already exists.

MB: In law, which is my background, it is five years old. I have gotten questionnaires from five years ago from major clients: What is your law firm's total lawyers? What is the female head count? Male head count? Visible minorities? That is part of their service selection process, so I think the professions are way ahead of real estate. I think law is way ahead. I think accounting is way ahead. I think the big banks are way ahead. Look at RBC's program, it is a deep and well-thought out program. That already happens. There is the ability of our members, our 92 members to affect change—it is to send a questionnaire to your major suppliers. Ask the suppliers to disclose their breakdown of male, female, visible minorities. That would be game changing in real estate.

SB: That would be huge. Could you see responses to that? Do you collect those stats today?

SA: Do we collect? We do not collect on visible minorities. It is a pretty good indication of how many females

we have in brokerage, around 12%. There is safety in numbers because we look at our competitors and think, "Well, we are doing pretty well." That leads to that complacency that does not drive change because you think you are as good as the competition; we think business is going well. I can tell you, we are addicted to winning, and so if part of winning is that diversity is in the RFP, things will change. We are addicted to winning.

SB: We have some really smart people that I work with at Monitor Deloitte. They had this whole thing called "How to Play, Where to Win,"—a really big topic. This is a big one. We have the mics going around the room. I am sure you are all just dying to ask some questions of our panel. Feel free, anybody. Keith Labbett is one of the large executive recruiters in the industry, and I am sure you have a really interesting perspective when it comes to either boards and/or the C-Suite.

## Questions & Answers

**Q: Yes, I am Keith Labbett, with DHR International Executive Search. Sheila, you will agree that since we started working a little while ago, together, looking around this room, the industry has come a long way. I have had the pleasure of working with most of you on the board in all of your organizations, and I know you do a great job. Just a couple of thoughts. Toni, you have touched on these points a couple of times. Have you utilized recruiting firms with dedicated diversity practices to add to your ecosystems? Then, the second part of the question is—and this is an area where we have had some success at DHR—are you targeting specific functional areas for diversity?**

TR: Yes, and yes. Case in point, we, from the board level on down, we certainly started with leadership, so we utilized recruit firms and search firms to get the diversity needs that we needed after skills matrix. Most boards talk on governance first and you find out your gaps, and you find out what you need, and you target, and we really went out and found some of those right individuals.

Then, yes, on the diversity. I think I spoke about Anna. We have been, and we are not great yet; we are certainly not near, but we actually have started

to go to different groups and associations on how to bring people into IO that normally do not come into this kind of setting, those with accessibility needs or diversity. So, yes, and yes. I think it is imperative, because we cannot do it on our own. Our company is very good at the competencies that we are very good at, but there are great organizations that do things for a living, and HR team is fantastic, but there are great organizations that do things for a living better so we take advantage of that best-in-class knowledge.

**Q: My name is Chandran Fernando from Matrix. We actually specialize in the recruitment of diversity talent for the corporate real estate market across Canada. When it comes down to the nuts and bolts of real estate, real estate is all about communities, correct?**

TR: Yes.

**Q: If we are reflecting real estate to be Canada, in the last six months, three months, what are you proposing? I understand, Michael, you are proposing something to your board; I know, Toni, what you are doing—and thank you for that. I would like to understand why now? I understand it is good for business, but what is the practical solution for businesses, so that we are not focused on our biases? Affirmative action, we know, does not work. That is an excuse to hide guilt and blame. When it comes**

**down to the overall function of human behaviour, you four individuals here, who are great leaders in the real estate industry, what are you doing now in your current day-to-day action in regard to understanding your biases, and what are you doing to train that within your internal teams and on a corporate level? That is where you need to start.**

SB: I will take that one on first. I was at Cushman & Wakefield before I joined Deloitte. Within Cushman, I think I had one of the most diverse teams in the entire marketplace. Now, at Deloitte, of the 25 people in my immediate team, I think that there are 70% that would be either gender diverse or culturally diverse. We live, breathe and die by that. For any of you who even know about Deloitte, we now have 4,600 people at our Bay Adelaide facility who do not have dedicated seating. It is all about inclusion and inclusive design. Our CEO right down to the most junior analyst has the same entitlements in our space. It has taken it off the stratosphere to somewhere different. What an amazing place to work. What an amazing experience to have all of those people coming together. For me, it is completely energizing. It is a tremendous opportunity for our industry. I hope that answers your question, from a Deloitte perspective. On to you, Scott.

SA: On to me. We are firm believers in the idea that everything you can measure, you can change, so you really

have to know the data behind it. Seven or eight years ago, we started tracking through Aon Hewitt, our employee engagement score that has scores in there for diversity, and we have been moving that up steadily to last year, when we were able to win a Gold Employer. We believe in transparency, too. When you measure something, you let everybody know where it is. I was thinking of this up on stage—we are not doing it yet, but I think it is a good policy we should look at: If we want diversity in our business, right now the managers are all rated on things like the usage of our CRM system, EBDA, their Aon Hewitt Score in their individual office, their net promoter score, which is a service score. It is all transparent. Every manager can see it across Canada. We are a competitive group, so we set targets. We are not going to tell people that they have to get them, but we set targets for people to get there. We find that because we are a competitive group—nobody wants to be on the bottom—with the transparency of seeing the rankings, the bottom moves up, which pushes the top up. That is one of the tactics we are taking to move it up.

And I said that the first stage of change is awareness. You have to make people aware of what the situation in their office is and get them out of that comfort zone of “I am just as good as any other office around here, across Canada,” and this applies to Col-



liers or anyone in our industry.

TR: The only other thing that I would add is that in the last three to six months, we have put in to play succession and performance management tools. I think that is the key to what you were talking about, Scott. It is a different way of looking at what we are, in fact, rewarding and how we are rewarding that. To be able to tackle that unconscious bias that you were talking about is really the crux. You just heard Michael talk about how what Sheila and I have been doing for the last six months is chirping in his ear, so I think here we are. We are having an open dialogue now. That is the other thing that we are doing.

MB: I would accept your challenge. I think what you said was very true—unconscious bias. Scott has really talked about it in his shop. It is a challenge for me. I am picking it up, and I am in the business of change management, and it is on my list.

**Q: In regard to being on our list, at the end of the day, the whole civil rights movements happened in the '60s. Fifty years later, we are still talking about what we started 60 years ago with the women's movement, the colour movement, the immigration movement in the '80s, and now we are approaching it, again. At the end of the day, it is great that it is one of the many things on your list. I understand that as a business; I get that. But when it comes to**

**leadership, as Toni mentioned, it has to be explicit. It has to come from the top and the bottom because it is both. It is re-education of the mind, and it is through bias training. Have any of your organizations, through the HR component or the leadership training program, actually done, in the last 24 months, a program for explicit and implicit biases? That is a starting point, I think.**

SA: I will say that our HR department and the senior management teams work hard at coaching our managers. With the nature of our industry, it is hard to tell a commissioned salesperson what to do, so you have to coach them. That coaching is all about awareness and listening. You have to be listening. When you are self-aware, and you are listening, that is when you start realizing, "I have a bias; I am actually holding this person back; I am holding this program back."

I would say that we have been very intensive in that over the last five years. We have really been ramping it up over the last two. We have looked at that. I am not going to take discredit for the last 50, 60 years that you talked about because I know I am old, but I am not that old.

In context, for Colliers just six years ago, I could not tell you how many employees we had in the brokers' division. I could not tell you how many were licensed and unlicensed, let alone how many were

male and female. The age of great data—we are just really getting into that. We have had computers for 30 years, but they have not really helped us analyze things instantly and not through software like Microsoft's Business Intelligence software. You are starting to see that.

I do not know our ethnic diversity. I do not know if we have ever checked that. I do not even know if I can go through and check that, to be honest. If we had that data, we can improve it. That is my belief. If you have the data, you can improve it. Sixty years ago, I did not have that data. Five years ago, I did not have it. We did have a diversity program at Colliers North America-wide for about four and a half years. From the data perspective, that is where it starts showing up. It is not just a perceived problem; we have a real problem here that we have to change.

SB: This is a really important conversation for our industry. For those of you in the room, I think by coming here, today, you showed how important it is, and, certainly, for those of us on the panel—and poor Scott because he represents all of the brokerage industry, which we know that we have to change. You are very brave to come, very brave to come.

And Michael, you also are very brave to take the challenge that Toni and I issued to you to change it from the top of the house. For any of you, if you have

ideas, thoughts, send emails to any of us. We are now engaged. We are now passionate about the subject, and it really is the war for talent, the war for people, the war for engagement and the war for opportunity for our industry. Thank you for joining. I would like to turn it back over for the formal conclusion.

TR: Sheila, I think you and I are brave as well for sitting up here for actually kind of creating the dialogue.

PF: Let us give a warm round of applause for our fantastic panel. As Sheila said, this is, in some ways, the beginning of a conversation that is going to continue over time. I certainly learned a lot today. I would like to quote Michael: “Bricks are dead. It is people, people, people.” I certainly do not want to be on a sporting field across from Toni.

It is my pleasure to welcome Peter, from Yardi, to deliver our official thank you to our panel.

**Note of Appreciation, by Peter Altobelli, General Manager and Vice President, Sales, Yardi Canada Ltd.**

I have been asked to thank our esteemed panel. It is a lot to prepare for when you have to speak on a regular basis. Preparing for these types of events takes time and energy and getting your information together. I want to extend a thank you to all of our panelists for providing this type of discussion and this type of conversation. It can get very political. It can become very diversified, I know. We are an international company, and when I have seen our executives come over from different parts of the world that are in the Yardi offices, they often say to me, “It is so diversified.” I tell them that we are a reflection of the city of Toronto. The diversity for us has grown. It is not thought of. It is done every day. It is great to see that this is now coming through this entire real estate industry.

To all of you, thank you very much for your preparation and contributions this afternoon. Thank you.

**Concluding Remarks, by Paul Fogolin**

Again, I would like to really give a warm thank you to our sponsor, Yardi, as well as our VIP sponsor, QuadReal Property Group. We are a not-for-profit organization, and we simply could not host lunches like these, especially, these sorts of conversations without our sponsors. Thank you.

I would also like to thank the *National Post*, who is our print media sponsor, and mediaevents.ca, Canada’s online event space for live broadcasting this webcast. We often get hundreds of viewers at home and, in fact, around the world. For some reason, Germany seems to love watching our events—fun fact.

Although our club has been around since 1903, we have moved into the 21<sup>st</sup> century, and we are very active on social media. Please, follow us on Twitter @Empire\_Club. I also understand we have a Snapchat account. I do not have one, personally, but apparently ours is pretty fantastic.

Finally, please, join us for our next event on June 19<sup>th</sup>, here, at One King West. We have Minister Michael Chan, who is the Minister of International Trade and whose talk will be our last lunch of the season.

Thank you so much for coming and joining us today for this conversation. I hope you had a wonderful time, and we will see you next time.