

June 2024

# RE:CONNECT 2024

## Insider Insights

### Navigating the Real Estate Startup Journey

Last month in New York City, GCM Grosvenor brought together over one hundred individuals representing limited partners, investment managers, and local operators from within its real estate investment ecosystem at the inaugural RE:CONNECT. During this two-day event, seasoned real estate professionals shared their experiences, insights, and hard-earned lessons, offering perspectives on navigating the journey of founding and sustaining a successful real estate investment platform.

One panel, moderated by **Ermias Nessibu, Principal at GCM Grosvenor**, spotlighted the journey investment managers take from starting out and capitalizing their first deals to growing their platform at scale.

**Jennifer Keith, Managing Principal of Ethos Real Estate**, an affordable and mixed-income multifamily investment firm and joint venture partner of GCM Grosvenor, shared that when interviewing potential capital partners, her firm focused primarily on finding one that aligned with the values and vision that she and her co-founder shared, particularly in letting the team retain day-to-day control of the business.



# RE:CONNECT



*From left to right: Jerome Nichols, Jennifer Keith, and David Bramble at RE:CONNECT 2024*

For Keith, aligning with GCM Grosvenor meant more than just financial backing. It meant being able to drive strategic decisions and fostering a relationship built on mutual trust. Such alignment, she emphasized, has been instrumental in Ethos Real Estate's success to date as a relatively new platform.

Reflecting on the early days of forming their platforms, the panelists discussed the various paths they took to successfully capitalize their businesses. From securing credit lines to forming partnerships with other general partners, the potential journeys are as diverse as they are demanding. They cautioned aspiring entrepreneurs on the demands of "overhead anxiety" and advised them to remain nimble, especially in areas where strong investors may not otherwise have experience, such as human resources practices and technology processes.

Throughout the conversation, a common thread emerged: **prudence is paramount.**

Managing debt, maintaining a pristine track record, and being selective with deals will impact an early-stage firm's long-term success.

**Let's delve deeper into these insights.**

## 1. Choosing the Right Capital Partner

Jennifer Keith's emphasis on shared value and vision highlights the importance of partnering with a team that can provide more than just financial support. It's not "just about the dollars"; it's about finding a partner who resonates with your investment philosophy and champions your autonomy.

**Jerome Nichols, President of Standard Real Estate Investment**, echoed this sentiment, stating that selecting the right capital partner involves evaluating what they can do for your firm both now and over time from an LP or GP perspective.

The focus is on identifying partners capable of maturing in their support of the company, ensuring a trusted and aligned partnership.

## 2. Navigating the Early Years

The panelists' reflections on the early days of their platforms' journeys shed light on the many challenges early-stage firms can face, both in their professional and personal lives. From securing funding to navigating operational complexities, the journey of starting a platform is filled with uncertainty. The notion of "overhead anxiety" resonates with many entrepreneurs, underscoring the need for a multifaceted understanding of business operations and capital solutions. All the panelists agreed that the demands on personal time and finances can be a significant sacrifice during the early years of business development, often deterring many early-stage entrepreneurs from continuing the journey. Despite these challenges, the panelists stressed the importance of prudent decision-making and meticulous planning. Whether managing debt or selecting deals, founders must approach each decision cautiously. This phase of growth demands creativity, resourcefulness, and a willingness to embrace uncertainty as part of the entrepreneurial journey.

## 3. Building the Right Team

Emphasizing the importance of strategic hiring, **David Bramble, Managing Principal of MCB Real Estate**, advocated a "hire slow, fire fast" approach to align human capital with the company's growth trajectory. His advice on hiring practices underscores the importance of building a team that can evolve with the company. As new platforms grow, so do their staffing needs. What works in the early days may not

be suitable for the long term. The key is to ensure the team remains aligned with the company's evolving goals and priorities. This requires a strategic approach to talent acquisition that prioritizes cultural fit, diversity of skill, and future scalability potential. As the panelists noted,

**"The team you need today may not be the team you want tomorrow."**

By forging strategic partnerships, exercising prudence in decision-making, and investing in the right talent, new investment platforms can successfully navigate challenges and lay the groundwork for long-term success. As the industry continues to evolve, insights shared by seasoned professionals like Jennifer Keith, Jerome Nichols, and David Bramble serve as invaluable guideposts for those navigating, or just beginning to embark on, their own entrepreneurial journey.



## About GCM Grosvenor

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GCM Grosvenor's experienced team of approximately 550 professionals serves a global client base of institutional and individual investors. The firm is headquartered in Chicago, with offices in New York, Toronto, London, Frankfurt, Tokyo, Hong Kong, Seoul and Sydney. For more information, visit: [www.gcmgrosvenor.com](http://www.gcmgrosvenor.com).

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