

Transcript

Code 53

Networking Advice From a Multifamily CEO

Ricardo Rivas:

Building a meaningful network takes time and effort. There needs to be an interest on your part, on what your peer does and vice versa. I prioritize my time with the relationships where there could be a mutual benefit for the person at Met and me for future growth.

Alison Johnson:

Welcome back to Code 53: The Apartment podcast. I'm Alison Johnson with NMHC. On this show, we bring you into conversation with apartment industry executives, leading experts in the multifamily sector, and a diverse group of practitioners to help you learn everything it takes to create communities, from business strategy to design to finance and leadership.

Today on Code 53, we are going to talk about networking, how we build relationships in our industry and the opportunities for advancement that come along with that. And on that note, I want to share some bittersweet news. My co-host and longtime NMHC colleague Kevin Cameron has accepted a new role at a new place. I want to thank him for all his contributions to Code 53 and we wish him all the best in his new endeavors.

Fear not listeners. Today, we are lucky to have as our guest the chief executive officer of Allied Orion Group, Ricardo Rivas. Ricardo leads a multi-family powerhouse with a growing portfolio of more than 24,000 apartment homes under management throughout the nation, and he's here to help us all strengthen our networking game within the multi-family sector.

Announcer:

The Code 53 podcast is brought to you by NMHC, the National Multi-Family Housing Council, the place where the leaders of the apartment industry come together to guide their future success. From owners to managers and developers, NMHC's members create thriving communities by providing apartment homes for 40 million people contributing \$3.4 trillion annually to our nation's economy

Alison Johnson:

When it comes to leading with strategic vision. Ricardo Rivas is someone you want on your team. After starting at AOG in 2001, he has come up through the organization and now serves as CEO of the full service, multi-family investment construction and property management group based in Houston. He is also an ardent proponent of the professionalization of the multi-family sector. For the observant Code 53 listener, you may remember his name from earlier episodes, specifically the episode about investment committee pitches where Ricardo served as one of the panel judges for the annual NMHC Young Guns Pitch Competition. This time we are happy to have Ricardo in studio to talk about how leaders create and build networks. Ricardo, thank you for joining our podcast.

Ricardo Rivas:

Hello, Alison and everyone and thank you for having me on this amazing program. I'm very excited to be here.

Alison Johnson:

Well, we are excited to have you. I alluded to your 20 year history at AOG. So for the benefit of our audience, can you take us on a tour of your path to CEO?

Ricardo Rivas:

Sure thing. I started out straight out of college here at the AOG and I came on board as an analyst. In that role, one of my main tasks was to convert the financial proforma that the company was using at the time from Lotus 123 to Microsoft Excel. Now you can imagine, I don't know how many folks out there know what Lotus 123 is, but it was interesting. Nevertheless, I only learned about it when I came over here. In addition to doing the standard financial analytical work, I would also assemble the packages that included market research for the development and potential acquisitions we were trying to do at the time. I also participated in a learning process in the construction and property management operations. I would wake up early in the mornings to shadow construction managers and learn the process of concrete pours for example.

I would also assist in keeping inventory of materials stored at the site. I would go out there making sure when lumber got delivered that it would be what was purchased. Later on as an analyst, I also shadowed a property manager and learned the leasing and management aspects firsthand. I was doing this while also performing analytical work for the deals at the time the company was trying to develop or acquire, which were not many back in 2001.

All this proved to be an incredible experience because later on I went on to help in Denver our development partner out there with some of the deals that he was doing too on the analytical work and market research as well. As we all know, developing a deal in Denver can be a little different than doing one in Houston simply because of the barriers to entry to actually trying to get a permit and find a site that can be entitled for development.

Later on I got promoted to be in the development manager role. I would do the typical duties of a developer, including identifying the sites, speaking to the lenders, investors, arranging and coordinating drawings with consultants and the general contractor, and ultimately overseeing the entire process from construction, asset management, all the way to this position. From there, I later on got promoted to VP of development and also development partner. During that time, I had the opportunity to work and learn from a very smart individual while I was VP of development that we hired to raise capital for us. That was an interesting aspect of the business that I wasn't really involved in. He had a background of Wall Street and raising money in Wall Street, so you can imagine a little bit of how that would go and it was very intense. We were preparing pitchbooks, we did the typical roadshow, and we would go out raising money in a fund structure.

All that experience combined then got me the role of chief investment officer. I would work closely in that role with all the departments of the company to achieve the investment goals at the time of development and construction and acquisitions. And during my tenure as CIO, we formed our first fund to do development and acquisition and since then we have done three and going on to the fourth. After the chief investment officer role, it expanded into the CEO where I'm at today, since 2018 has been four years in the running. What a time to be in the leadership position with COVID entering and several other different challenges in the industry.

And it has been quite a ride so far and I've enjoyed every minute of it. Today we have around 30,000 units that we manage third party across several different states that went up from around 24,000 units back in 2018. And we've garnished new institutional clients we manage for. We've implemented state-of-the-art systems to be able to perform our roles and our services. And we have a state-of-the-art accounting team in place too, which we're very proud of those. And on the investment and development side, we currently have a pipeline that is reduced because it was larger now because we understand the environment we're in of around half a billion dollars.

Alison Johnson:

Ricardo, you have definitely seen the business inside and out from the frontline to the captain's chair. It's really an impressive purview that you've had throughout your career. It also sounds like from the experience you've also been able to iterate your next role and your next move. How has networking helped in that professional development?

Ricardo Rivas:

Well, networking to me is absolutely vital for the career path I've had. I would start by saying that the opportunity to work here at AOG began with networking. I knew somebody that knew one of the founders of the company and that was the connection. I had a personal connection to start working here at AOG. So it started with networking and I would just go to quote Dell Carnegie in one of his books. He says that the ability to interact with people is as purchasable a commodity as sugar or coffee. And companies especially our company, will pay more for that ability than any other under the sun. So that's a quote that I truly believe in. And the ability to network, the ability to socialize and connect is crucial to anybody's career. Expanding your Rolodex by networking with people at a personal friendship level and also at a professional level is crucial.

Alison Johnson:

Multi-family is a bit of a unicorn in the commercial real estate business because it is seen as definitely peer driven. The business is based on trust and interactions in your history within the sector. So I'd love to hear a little bit from you more about what you experienced in that and what advice do you have for professionals who are listening now and looking to expand their network or make meaningful connections within multi-family.

Ricardo Rivas:

Well, thank you for that question, Alison. To start the answer to that, I would agree that is a bit of a unicorn regarding connectivity in multi-family. But I tell you the answer to that is professional affiliation. And what I mean by that is being involved with organizations like NMHC, that opens the door for anyone really that participates in it. To be able to break that barrier and break that ice and connect with other people, you can help them grow or they can help you grow or guide you to an area where you want to learn more and connect with others. Building a meaningful network takes time and effort. There needs to be an interest on your part on what your peer does and vice versa. When you meet someone, what I do is I go back and I take notes on when, where, and what we spoke about in that meeting and then later on I prioritize my time with the relationships where there could be a mutual benefit for the person I met and me for future growth. And I would say in order to still break that barrier that we just spoke about on connectivity, when you get involved in an organization like NMHC, I would say that being just a member is not enough. You have to get involved. You have to meet with the

people you would otherwise not get to know when you get involved, such as participating in committees or participating also in speaking engagements that I sometimes get invited and others get invited to in NMHC.

Alison Johnson:

Let's touch on that a little bit. Getting involved and being active in associations or networks outside of your immediate job role network. You've been a member leader here at NMHC, you have also been a member leader at organizations that are more locally focused like the Houston Apartment Association. How important is it to prioritize your networking versus either your job role or your professional goals?

Ricardo Rivas:

In my experience, I would say yes, it is very important to align your networking with your job role. If you are in property management business, for example, you don't want to end up in a construction forum unless you have an interest in that subject matter. You want to align yourself with other folks that have the same interest as you. Local and state department associations, you mentioned I was a member or participated in the Houston Department Association is a great place to network if your role is in property management. That's the very first place you would go. If you're in development and construction, you would network and join and participate in ULI, the Urban Land Institute. I participated in that and participated in committees back when I was doing a lot of development as well. For me and where I prioritize my time today with professional affiliations is NMHC. That's pretty much where I spend most of my time because it provides the networking that I look for and where I can benefit. And the others that meet me can benefit as well from knowing each other.

Alison Johnson:

That's great. This entire conversation is about meeting other people and in this day and age it could be very intimidating to figure out where to meet people. We've talked about prioritizing, networking to help facilitate connections within the sector, but it's where do you find these people. Now that we live in a hybrid workforce, there's been a lot of press coverage and analysis about the pivot companies and employees have had to make in a new work environment. I don't know if we can call it a new work environment anymore, let's just call it the work environment of being remote. How are you at AOG thinking about bringing teams together in person? Is that time even more precious now in a remote work environment?

Ricardo Rivas:

Yes. That time is a lot more precious now when we are coinciding together at the headquarters to meet with each other. We emphasize... We have a monthly luncheon that we do. And in the past sometimes we didn't really pay attention to who was attending or not prior to COVID because we were at the office all the time. Nowadays, I myself make it a point to emphasize, please attend this luncheon, this meeting because this is the one time where we know all of us at headquarters are going to be together and we can talk about, we can give updates on what's happening at the company. We can celebrate anniversaries and birthdays. And the most important part is that part of that luncheon is that we can continue to build on our culture and not lose that human touch that gets lost when you don't see folks on a regular basis.

And we have 700 associates across several different states with property management. So now what I'm trying to work on doing, which it didn't really happen in the past, but since we're now

emphasizing connectivity with the hybrid workforce to be able to connect them as well with everybody, the 700 with each other and with also us at the headquarters. And we're looking at expanding that monthly luncheon into a big video conference meeting where we can all participate at the same time. We all get to see each other once a month.

Alison Johnson:

It's interesting then that how you're leveraging the digital world to create and sustain work culture or entrench the work culture of AOG. What does this also now mean for professional development? Are you and other senior executives within AOG talking about how you might help staff as they identify their own professional development goals, how they might connect outside of AOG?

Ricardo Rivas:

That is a great question and we've been working on a mentorship program here at the company where we have really good... I mean all of our associates are excellent in what they do, but we have some that have more experience and expertise than others that can guide than professionally and sometimes also personally on what we do in our business.

So for example, if we have someone that is really good at a particular aspect of the software we use, that person is now going to become a mentor and we're going to have a list of them where our associates can go in, well, I need help on this. And they will go and look for that mentor and then that enables them to expand on their knowledge and professionally and on what they do. And also the ability to connect, keep connecting with others internally. Another example can be... Well, primarily we're also talking about culture mentors. We actually launched it about six weeks ago, a program where we picked around 18 different associates that volunteer for the program. And they're going to be our culture mentors too. They're going to be ones that are going to help us implement who we are as an organization, how we operate, how we treat our clients, our residents, and each other, our associates in the manner that we are about. That is one of the things that we're proud of and we're working on to be able to accomplish what you just asked me.

Alison Johnson:

What a great program to help cohesively share the values of the company as they've been generated by the people within the company. What a great program. So as you sit in the seat of a CEO now and you look back on your career in the last 20 years with AOG, the real question I want to ask is, if you had the chance to do it all over again, would you stick with multi-family?

Ricardo Rivas:

Well, the answer is an absolutely resounding yes. I would do it all over again. It grew me from the very first day I started in the industry. This multi-family, the industry was not something that I was targeting as I was finishing my career out of a college. But once I entered, I fell in love with it. You get to change in this industry the landscape of a city, of a community. If you're in a development or construction world, you get to design something that is truly going to leave a mark for years to come. If you're in the property management side, you get to take care of your tenants and you get to cater to their needs and you get to make a difference in their lives. So I would say if you're passionate about making a difference in people's lives, multi-family is a great place to be.

Alison Johnson:

And there's no better note to end on here. Ricardo Rivas, chief Executive Officer of Allied Orion Group, thank you so much for being with us on code 53: The Apartment podcast.

Ricardo Rivas:

Thank you, Alison, and thank you for having me participating in this amazing program. Really appreciate it.

Alison Johnson:

And thanks to everyone for downloading and sharing this podcast. Coming up in our next episode, we'll show you what sustainability looks like at the property level in 2023. So subscribe and meet us right back here on Code 53: The Apartment podcast.