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Widening the scope: Considering DEI efforts in the COVID-19 era

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Several of the articles in this issue of *Institutional Real Estate Americas* take a look at diversity, equity and inclusion (DEI) in the commercial real estate investment industry. This is not a new conversation, but it is an important one. The business case for DEI is clear, as is the moral one, so I won't belabor it here.

These efforts are beginning to reach a critical mass. For example, Heather Fernstrom-Border and Jennifer Stevens, co-founders of Alliance Global Advisors, have been leading efforts to develop a framework for improving diversity, equity and inclusion in the commercial real estate industry.

At Institutional Real Estate, Inc., we are having conversations internally about how we can reflect a more diverse real estate industry — in our news coverage, in our industry advisory boards and in the panelists at our events. We are taking this issue seriously, and we are listening to our readers, our sponsors and our wider community about how we can do better.

In this month's Market Perspective, Kelsey Harstad and Eliza Bailey of Belay Investment Partners discuss some of the failures of past efforts to focus on diversity, equity and inclusion in the industry, and suggest some approaches that may make this moment one where change is more lasting (see "[DEI déjà vu](#)").

For our lead feature, we introduce a conversation among real estate industry professionals about how investment managers are approaching DEI within their organizations, and what more needs to be done (see "[Walking the walk](#)").

I want to take particular notice of a comment made in the roundtable by Neveo Mosser, chairman of Mosser Capital Management, with respect to DEI. Mosser says the firm has "an active stance on giving back to improve and sustain diverse and inclusive communities."

One of the reasons I am passionate about real estate, as both an investment and as an area of research, is that every aspect of modern life is encompassed in the topic. When we talk about "live/work/play," we are describing the sum total of human experience. And so, because real estate is the place in which we live our lives, all of the other elements of our society are embedded in real estate, too.

The conversation about real estate and diversity can go beyond the people in our industry to consider who uses our buildings and why it's important to appeal to a diverse population. (The two do go hand-in-hand, however; a more diverse real estate investment industry may be better positioned to consider how our buildings are used by diverse populations.)

This is especially important as we consider how the negative effects of the COVID-19 recession have been unevenly distributed. For example, women in the United States have been disproportionately affected by job losses. A December 2020 analysis by Catalyst noted the job losses have been caused by two factors: job losses in employment categories that employ a lot of women, such as leisure and hospitality, education and health services, and retail; as well as the closure of schools and daycare facilities, which increased childcare responsibility for parents, especially women.

In addition, employment losses have been steeper among nonwhite communities. For example, according to the Bureau of Labor Statistics, the Black or African-American unemployment rate increased from 6.6 percent in January 2020 to 9.8 percent in January 2021, while the unemployment rate for those of Hispanic or Latino ethnicity increased from 5.1 percent to 9.4 percent over the same period. White Americans' unemployment rate increased only 2.7 percentage points between January 2020 and January 2021, from 3.5 percent to 6.2 percent.

On the housing front, there also has been a bifurcation of effects by race as well. A CBPP analysis of Census Bureau Household Pulse Survey data reveals 21 percent of adult renters said their household is not caught up on rent, with 36 percent of Black renters saying their household is not caught up on rent, as well as 29 percent of Latino renters of any race.

This era is one that may exacerbate and accelerate existing inequities in our society, and could test the limits of real estate investors' commitment to environmental, social and governance factors.

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