

McDonald builds firm into big success in a male-dominated field

By Ken Datzman

Women across America are choosing the path of entrepreneurship at record rates. In fact, women are starting 1,288 (net) new businesses per day, which is double the rate from only three years ago, according to the 2014 "State of Women-Owned Businesses Report," commissioned by American Express.

The report includes detailed analysis of data from the U.S. Census Bureau and finds that during the past 17 years, the number of women-owned businesses has increased at 1.5 times the national average.

Today, there are more than 9 million women-owned businesses in the U.S., compared to 8.6 million in 2013. These businesses generate more than \$1.4 trillion in revenue, employ 9.7 million people, and account for 30 percent of all enterprises.

Seventeen years ago is exactly when Jewel McDonald first stepped into the business-ownership arena. Interestingly, she used the Kelly Services' temporary job platform as her launching pad, which later led her into the rough-and-tumble world of commercial real-estate brokerage.

After moving to Florida from the Midwest, she took a job at Equitable Life Assurance Co., which at the time had just purchased a 500,000-square-foot industrial property.

McDonald said she was interested in "working with computers" in some way. The property manager of the building was so impressed with her work ethic and office efficiency she offered McDonald a full-time position with the company.

"I accepted the job and that opportunity introduced me to the field of commercial real estate. And I loved it from the start," said McDonald, who today is the broker and president of JM Real Estate Inc. in Melbourne, one of the most successful small businesses of its kind in the region.

"Push yourself and you can make your own career in business," she advises young women. McDonald has been doing that for the past two decades in a male-dominated field.

Starting from scratch, her firm now manages more than \$300 million in assets. "The market is improving so the values of the buildings in our portfolio are increasing."

JM Real Estate leases and manages a range of buildings for clients spanning the office, retail, medical, and industrial sectors of the Brevard commercial real-estate market. Her business, which covers the entire county, also works with individual and institutional investors in the commercial segment.

Firms such as JM Real Estate operate in an industry where



BBN photo — Adrienne B. Roth

Businesswoman Jewel McDonald is founder and president of JM Real Estate Inc., a commercial real-estate brokerage that leases and manages a range of buildings throughout Brevard for clients. The Rollins College graduate started her firm 17 years ago, which today manages more than \$300 million in real-estate assets. She has thrived in a male-dominated industry. McDonald is at Suntime Office Tower on North Wickham Road in Melbourne, a property it leases and manages.

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JM Real Estate Inc.

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brokerage deals often require long lead times before the transaction actually closes and all parties are compensated for their work. That's one of the challenges of running a commercial brokerage.

"Our accountant told us early on in our business to never be merely a conduit for money, and I am conscientiously aware of that on a day-to-day basis," she said.

McDonald, a Rollins College graduate who earned her bachelor's degree in organizational communications with a minor in business administration, prides herself on small things that have aided her success, like being able to type 120 words per minute. "I used to be able to do it without making any typos."

She added, "In business, simple things like being able to type 120 wpm gives me an extra edge, I believe. For as long as I can remember, I have been the kind of person who is always conscientious of how I utilize my time. I am cognizant of performing tasks the most efficient way so there is no waste of time."

Encouraged by her mother, McDonald took piano lessons as a youngster. "I played the piano growing up and I think that experience has helped me greatly with my eye-hand coordination. That's why I can type really fast and I am good at games or sports that involve eye-hand coordination."

On the shooting range, Jewel McDonald shines competing alongside her husband Michael McDonald, the company's director of operations.

Jewel McDonald began building her venture in 1997, as she stepped out on her own and formed her company. She was able to develop JM Real Estate into a full-service business in the areas of commercial property management, commercial leasing, and commercial sales.

The agency now has a team of eight people, including longtime area commercial real-estate professionals Charine Lewis, director of sales and leasing, and Joe Poirier, director of brokerage services.

"We have an excellent staff," Jewel McDonald said. "Our success centers on a total team effort. And we all work really well together. We try to create a good working atmosphere. We're like a family."

Jewel McDonald says she is "energetic" and always aiming to "please" the customer no matter how long the client relationship has been intact. "I never take anything for granted in the business of commercial real estate."

When she attends the Commercial Investment Roundtable meetings — a by-invitation gathering of local brokers in the region who talk about industry trends and the state of the market in general — Jewel McDonald is surrounded at the table by her male colleagues.

Two weeks ago, the University of North Carolina's Kenan Flagler Business School partnered with the Triangle Chapter of the Urban Land Institute hosting a roundtable in Chapel Hill where experts discussed ways in which to recruit more women into commercial real-estate careers. It was the first such event of its kind for the Institute.

Women have made inroads into the field over the past 10 years but they still lag far behind men in terms of the sheer number of people holding positions with companies or running their own businesses in the \$6 trillion

commercial real-estate industry.

In general, the states with the fastest growth in the number of women-owned firms between 1997 and 2014 are: Georgia (118 percent), Texas (98 percent) and North Carolina (91 percent), according to the American Express report.

Jewel McDonald, who grew up on a farm in the Midwest, says there are a number of "keys" that have helped propel her as a businessowner in a competitive industry.

"I have an incredible husband and wonderful parents. My husband is also my business partner. We complement each other so well, both personally and professionally. We will have been married 28 years in 2014. My parents have been married over 50 years and they are my foundation, my rock."

Continuing education also has played a role in her success in business.

"You can't be successful in any business if you don't know what you're doing. It takes experience in your field and an education to back it up. Having specific credentials in your field is also beneficial, especially as a woman. In my case, the CPM (Certified Property Manager) and CCIM (Certified Commercial Investment Member) designations have helped give me the clout and confidence that my clients demand."

But Jewel McDonald says the "most important trait" for any successful individual in business is a commitment to ethical practices. "To me, all things in business and in my personal life are black and white. There are no gray lines."

She said she has used these principles to help guide her firm all these years. JM Real Estate posted back-to-back record years in 2012 and 2013. "And 2014 is probably going to be a really good year for our company. We are busy. Businesses are starting to look at our market again, which is a big positive not only for people who work in commercial real estate but also for the county in general."

Commercial property transaction volume is on course to reach a 10-year high by 2016, says a new forecast released in April. Based on a survey of 39 of the industry's leading economists and analysts, the forecast predicts that commercial-property transaction volume will reach \$430 billion by 2016, exceeding the volume of 2006.

"Our business in the past has been fairly evenly divided between brokerage transactions and property-management fees," said Jewel McDonald. "But that changed during the lean times when we experienced a lot of bumps in the road. The property-management side pulled us through the market downturn, and now for the last couple of years the brokerage side has really started to see an upswing in activity."

The latest multi-year outlook (covering 2014 through 2016) from the Urban Land Institute, a nonprofit education and research entity in Washington, D.C., and EY, a global leader in assurance, tax, transaction, and advisory services, was conducted between Feb. 19 and March 14 of this year.

"The Urban Land Institute/EY Real Estate Consensus Forecast" is the fifth in a series of polls conducted to

gauge the sentiment among economists and analysts about the direction of the real-estate industry. The new survey is more optimistic than the previous one and for a number of reasons.

For instance, the issuance of commercial-mortgage backed securities, a crucial source of financing for commercial real-estate investors, is expected to continue its rebound with consistent growth through 2016.

"Investors are back in the market buying and selling commercial real-estate properties," said Jewel McDonald. "That's a strong indicator the market is improving. The residential market bounced back about two years ago and now we're seeing it happening on the commercial side, which is great."

Both existing home sales and new-home construction are trending upward.

After single-family construction reached a half-century low of 430,600 starts in 2011, the housing sector saw two years of positive growth with starts rising to 618,300 in 2013. According to the "Consensus Forecast," new-home starts are projected to increase to 742,500 this year, 850,000 in 2015, and 900,000 in 2016.

However, despite the growth, the 2016 projection for home starts remains below the 20-year annual average. Still, the single-family housing market is poised to experience solid gains through 2016, with expected increases in home prices that are above the long-term average, the report says.

Meanwhile, vacancy rates are expected to decrease modestly for office, retail, and industrial properties. In addition, the forecast sees a turnaround in 2014 with retail rental rates "turning positive for the first time since 2007."

As reported in the "Consensus Forecast," office rental rates will increase by 3 percent in 2014, 3.9 percent in 2015, and 3.6 percent in 2016. "Occupancy rates are rising, so in step with that, leasing rates will be rising as well. We have a number of properties in our portfolio that are nearly 100 percent leased," she said.

JM Real Estate's newest addition to its property management and leasing portfolio is the "Class A" Suntree Office Tower on North Wickham Road. The 75,000-square-foot five-story building was originally developed as a single-tenant facility for Mercedes Homes. Now it's set up for multi-tenant use and is owned by Louisville, Colo.-based Real Capital Solutions, a private investment business that turns around distressed real-estate properties.

The luxurious, European-influenced property was constructed during the real-estate surge at a cost of roughly \$18 million. Real Capital Solutions paid \$5.3 million for the building, which contains a 200-seat conference center.

Jewel McDonald said the Suntree Office Tower is about 65 percent occupied. "We have about 25,000 square feet available for lease, in various ranges. We have a lot of proposals on the tenant space available for lease at Suntree Office Tower."

She added, "We're seeing good activity at many of the buildings we lease and manage. Things are definitely picking up in the local commercial market."