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### **Abstract**

Tammy K. Jones has more than 24 years of experience in the commercial real estate industry investing and lending on behalf of pension funds, institutional investors, and family offices. Since 2009, Ms. Jones has served as both Co-Founder and Chief Executive Officer of Basis Investment Group (Basis). Under her leadership, Basis has succeeded in closing nearly \$3 billion in commercial real estate debt and structured equity.

### **Keywords**

Tammy K. Jones, Basis Investment, Real Estate Entrepreneur, Minority, women owned business, CRE Debt

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Tammy K. Jones has more than 24 years of experience in the commercial real estate industry investing and lending on behalf of pension funds, institutional investors, and family offices. Since 2009, Ms. Jones has served as both Co-Founder and Chief Executive Officer of Basis Investment Group (Basis). Under her leadership, Basis has succeeded in closing nearly \$3 billion in commercial real estate debt and structured equity.

## 1. HOW DID YOU GET STARTED IN COMMERCIAL REAL ESTATE?

I think there is a common theme with many women and, particularly, minorities in commercial real estate. Many of us don't have much exposure to the commercial real estate (CRE) field so we often stumble into it. When I came to Cornell, I wasn't sure what I wanted to do, so I took an economics class, got strong grades, and decided to stick with the major. I actually took a Real Estate Finance class in the hotel school and I wish I could tell you that was the moment I knew I was going to work in real estate. But interestingly, "No"—that didn't happen. As graduation approached, I still didn't know what I wanted to do so I identified jobs that exposed me to a variety of options. I eventually joined the Financial Management Development Training Program at Equitable Life. Through this program I got to see the entire Equitable enterprise. When I got to Equitable Real Estate, the commercial real estate subsidiary, I fell in love with the field. Every transaction was unique and I quickly learned that no two pieces of real estate have the same fundamentals. I have always had an entrepreneurial spirit and I found that the real estate industry suited my personality well. That's how I got my start in CRE and I have never left since.

## 2. CAN YOU TELL US ABOUT YOUR EXPERIENCE AS A REAL ESTATE ENTREPRENEUR?

I have spent my entire career investing in and lending

on CRE assets for big institutions, pension funds, and family offices. Every career move that I have made has prepared me for the next one. I started with Equitable on the equity side where I bought and sold CRE for the firm's general account and large pension funds managed on the company's advisory platform. From there, I moved to the debt side where I invested General Motors' pension plan capital in CRE debt strategies through GMAC CM. Next, I had the opportunity to lead CW Capital, a subsidiary of Caisse de dépôt. This was important because Caisse de dépôt wanted to develop a foothold in commercial real estate debt in the US and I was tapped to build-out the capital market lending platform. Under my direction, the office grew from 2 people to 80 people and closed 500 transactions totalling \$6 billion. Building a platform with the support of a large institution was great because many of the steps were the same as what I had to do when I eventually started my own firm.

The economic downturn in 2007-2008 precipitated forming Basis. I was with CW Capital and, like at many other companies, folks were starting to lose their jobs. It was truly scary because no one knew when the market was coming back. While I kept my job, business was very slow. I began to think, "If I could launch my own company what would I do?" and started drafting a business plan. Despite these efforts I was still skeptical about going out on my

own. Eventually a quote from the book *The Alchemist* struck me and gave me the encouragement I needed. The quote states, “There is only one thing that makes a dream impossible to achieve: the fear of failure.” This quote helped me realize that I had everything I needed to succeed if I stepped out beyond the fear.

So, I decided to finish the business plan. Since I had run the platform, I knew many family offices that were in real estate and had a lot of cash and would be good partners to help me launch the company. I made a list of 10 of them. I got down to number seven on the list, which means that things were not looking great, and then I was able to negotiate the deal with JEMB Realty. They gave me my first \$100 million investment. It’s a great story from the standpoint that I had to push myself to do it. I knew that the spirit to do something on my own was always in me since I was a little girl. My dad was a jazz musician and in business for himself. When you are a musician and that is what you do for a living, it’s your business. Growing up, I observed the volatility of entrepreneurship through him. Those things were great lessons for me but also taught me that you have to pursue your passion. I have been so much happier after I took that leap, and I have never looked back.

### **3. HAVE YOU EXPERIENCED UNIQUE HURDLES BEING A MINORITY AND WOMEN-OWNED BUSINESS FOCUSED ON CRE DEBT?**

The biggest challenge for any minority and women-owned business is access to capital. There are a couple of reasons for that. First, CRE is a relationship business. Many of us, as women and minorities, do not have generational wealth and relationships and capital that men have had over the years. CRE is a \$15 trillion business that has very little diversity. Minorities and women often come into this business with somewhat of a disadvantage at being able to capitalize on the same kind of relationships that allow others to access capital. You need capital to be in commercial real estate. That was the big challenge for me, and I think that building a company in the middle of the downturn was another very significant challenge. As a woman and minority, you need to be able to have access to relationships and investment opportunities, but you also have to be able to create a sustainable platform. While these challenges are more significant for women and minority firms, the good news is that there are firms that are starting to navigate their way around it, including Basis and a few others. And it’s important for us to win and succeed because we have to be able to create the pathway for the generation following us. It is not easy, and

I will not sugar coat it, but I think there is progress.

### **4. WHAT CAN COMPANIES DO TO INCREASE THE REPRESENTATION OF WOMEN AND MINORITIES IN THE REAL ESTATE INDUSTRY?**

The desire to create diversity has to start from the top. Companies have to understand that diversity is not just a box to check, it’s not just a “do good” thing but it is a strategy for economic success. There is a study from McKinsey in 2017, a study from the Knight Foundation, and countless other studies that conclude that investing with diverse teams produces better performance. In my view, companies that don’t embrace diversity are not acting in the best fiduciary role for their companies. Making sure you have a diverse team is a must in today’s competitive environment. So how do you do it? First, diversity starts at the board level. All large companies have boards and even smaller companies have advisory boards. Companies should make sure these boards are diverse. If they all look the same and think the same, you will not have creative thinking or understand what you don’t know. A diverse group brings diversity of thought! It’s not just diversity of race and gender. It’s also about diversity of thought.

Next, once you have diversity at the board level, then you will have folks that care about making sure that the C-suite also has some diversity. From that point you will begin to see more diversity naturally spring forth. Seventy-seven percent of the Basis team is comprised of women and minorities, and I think I have the best team in the U.S. I basically adopted this thing from the Rooney Rule that the NFL uses. This rule requires that, for coaching positions and other senior roles within the NFL, a minority has to be included in the search. It doesn’t mean that the minority is going to get the job, it is just that they have to ensure a diverse pool of candidates. So, I have something that I call the “Tammy Rule” where any time we have an opening, a woman and minority has to be in the pool of candidates. They might not get the job but it helps us ensure the we have a diverse choice of candidates.

### **5. DO YOU HAVE ANY ADVICE FOR CURRENT BAKER STUDENTS?**

Students need to start building relationships now. Build your network now. I didn’t know that when I was younger. You have to find people that support your vision. I call them “route supporters,” people that will help you along your journey. Use social media and other resources that are at your fingertips. It will not be easy, but you have the tools and if you really start building upon your relationships and network now, that is going to afford you a much better chance to build a successful career.