Marcus & Millichap

ELLER SUIT UP SALES CHALLENGE 2025

Sales & Investment Advisory Roleplay Challenge

Theme: Scaling Relationships & Structuring Value in CRE Investment Sales

ROUND 1 PROMPT: INVESTMENT SALES ROLEPLAY – FIRST APPOINTMENT/FACT FINDING

You graduated last spring from the University of Arizona's Eller College of Management with a concentration in Finance and Real Estate. During your senior year, you were selected for Marcus & Millichap's highly competitive Sales Internship Program. Following graduation, you accepted a full-time role as an Investment Sales Associate in the firm's Phoenix office.

You've recently completed your onboarding and are now building your book of business. One promising lead is Eagle Rock Ventures, a private investment group based in Denver that owns older Class B/C assets in secondary Sun Belt markets, including Tucson. You've scheduled a 10-minute in-person meeting with the Director of Asset Management as they had described some challenges at the 75-unit apartment building they own in Midtown Tucson.

Understanding the client's wants and needs will help you sell an analysis as a solution to their problems, or a roadmap to making a more informed decision. Each client has four options:

1. Sell
2. Sell and exchange their proceeds ("1031 Exchange")
3. Hold and improve operations
4. Refinance

OBJECTIVES:

- Build rapport quickly and establish professional credibility
- Uncover the client's investment strategy and concerns
- Present Tucson market insights
- Position Marcus & Millichap's value
- Identify if a proposal (analysis) to sell is warranted to help client's decision making and conditionally close for next meeting

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ROLEPLAY CHARACTER SHEETS

JUDGE 1 – DIRECTOR OF ASSET MANAGEMENT (ROUND 1)

TYPICAL OBJECTIONS BY MEETING STAGE

FIRST APPOINTMENT

- We already have an existing relationship with the broker who sold them the asset
- "We're making too much money, why would we sell?"
- "We're going to wait for the market to get better before doing something"
- "We want to address the vacancies we have before making a decision"
- "We can't send you financials on the asset until you have a buyer"

TUCSON MULTIFAMILY SNAPSHOT – Q3 2024 (STUDENT PRE-READ)

- Vacancy: 6.3% (up 80 basis points, or 0.8%, year-over year)
- Rent Growth: 1.5% year-over-year
- Cap Rates (unlevered return): 5.75–6.25% stabilized; 6.5–7% value-add
    - Cap rate is the Net Operating Income (NOI) divided by the market value of the asset
    - Cap rate is an assessment of risk. Higher cap rate, generally, more risk and higher return.
- Demand: Strong demand from family offices and small syndicators looking to place $10-$20million
- Minimal new supply in Midtown; infill interest growing to redevelop.