

Investing in Passion

An Interview with Miles S. Nadal, Founder and Executive Chairman, Peerage Capital Group

EDITORS' NOTE Miles Spencer Nadal (mile-snadal.com) is an international entrepreneur and philanthropist. His belief in the importance of investing in passion and empowering people to pursue their highest goals has framed his approach to both business and philanthropy. Under Nadal's ownership, Peerage Capital's residential real estate business has grown into a Top 10 North American real estate services company with a focus on the luxury market. Peerage Realty Partners invests in the passion of entrepreneurs and their teams to accelerate their growth. Peerage Capital is also a leader in the Canadian self-storage business and in the independent wealth management and investment banking business in Canada and in the U.S.

Nadal has been a consistent force with his ongoing support of many community-focused philanthropic initiatives. These include the Miles S. Nadal JCC, an inclusive urban community hub in Toronto, the Miles Nadal Heart Centre with the Sinai Health Network, the Miles S. Nadal Management Centre at the Schulich School of Business, and the Miles and Kelly Nadal Youth Centre. He is an active supporter of local food banks, summer camps, and programs for young, aspiring entrepreneurs.

In Israel, Nadal's support extends to the Miles S. Nadal Institute for Technological Entrepreneurship at Tel Aviv University and many other community causes including Yad Vashem, Dudevan and United Hatzalah.

Nadal has been nominated for Canada's Top 40 Under 40 and was the recipient of Ernst & Young's Entrepreneur of the Year Award™. Among his awards are the Harold Lederman Award for Philanthropic Leadership, Jewish National Fund Negev Honoree, Toronto Chapter of the American Marketing Association Marketing Hall of Legends, Executive of the Year by MEDIA Magazine, and Damon Runyon Cancer Research Foundation honoree. Nadal was awarded an Honorary Doctorate of Philosophy degree from Tel Aviv University, and was recognized for contributions to Harlem RBI, an initiative for youth playing, growing, and learning. He is a member of the Board of Governors of Tel Aviv University where he endowed a home for technological innovation and entrepreneurship, as well as serving on the International Board of Governance of The Peres Institute.

FIRM BRIEF Peerage Capital (peeragecapital.com) is a leading North American business services and private investment firm. It focuses on partnerships with passionate entrepreneurs in the service sectors. In addition to talented teams, it seeks out opportunities to achieve scale through both organic growth as well as acquisitions, operating synergies, and brand differentiation. It supports the partner firms in which it invests by providing capital as well as a team of experienced professionals who add value in such areas as strategy, finance, technology, marketing, mergers and acquisitions, and communications. Peerage Capital's long-term investments are across several sectors, primarily real estate services, real estate development and management, land assembly, self-storage, asset management and wealth advisory services. Across every sector, Peerage Capital operates with a strong culture of partnership, collaboration, and alignment of interests, both economic and cultural. Peerage Capital's unique "Professional Partnership" model has been refined over 42 years to accelerate growth through value-added services that enhance the sustainable, profitable growth rate of the organization, maximizing value for all stakeholders. Peerage Capital's largest operating business is Peerage Realty Partners, a leading residential real estate services firm, serving luxury markets across North America. Its partners include leading Sotheby's International Realty franchisees, and renowned independent firms in both re-sale residential real estate brokerage and new construction marketing. Peerage Realty core service activities include real estate financing, transaction services, asset management, and home improvement for purpose-built rental properties. It is currently one of the top 10 largest residential real estate service firms in North America with over 7,000 best-in-class sales representatives and employees with 276 offices across Canada and the United States selling over \$70 billion of residential real estate annually. Peerage Capital has over \$10 billion of assets under management across its various platforms.

Will you discuss the history of Peerage Capital and how it has shaped the growth of the company?

Peerage Capital began as a vision that reflected my previous decades as an entrepreneur starting in 1980. I started my first businesses in my teens, and over time I observed

one consistent factor across every sector and every economic cycle: when principled, talented people are passionate about what they do, they are successful, and they create cultures and opportunity for themselves and others. Our corporate tagline says it all: We invest in passion.

It is worth noting that Peerage Realty Partners, our North American residential real estate services business, took shape just as we entered a profound global economic crisis in 2008. Remember, this was a crisis specifically rooted in North American real estate and lending. At that time, when the consensus view was overwhelmingly negative, we identified and selectively partnered with the most talented entrepreneurial people and businesses that we believed would best weather the storm and prosper in the face of adversity. Those people and those businesses are still our partners today and they are the bedrock upon which Peerage was built.

It helps enormously that Peerage is a private company run by an experienced leadership team that has been together for over 20 years in many cases. While we have the advantage of taking a longer-term perspective on performance and we are not pressed to make decisions for quarterly results, we do have exceptional rigor and discipline when it comes to operating our businesses in which we are partners. However, because we take the time to align values and continually collaborate, our approach and our expectations are clear to our partners.

How do Peerage Capital's values and principles impact its business?

You could say we reverse-engineered Peerage Capital starting with our values and principles of partnership and building a large enterprise around them. That gives you an idea of just how essential our principles are to our businesses and to the partnerships upon which we base them. Having that clearly articulated set of principles is a real differentiator in any competitive market – especially in the services sector where we are focused. Think about it: Our companies are in residential real estate, storage, real estate services, as well as wealth management. The common denominator in each of those businesses is trust. Securing and honoring trust is fundamental and everything else is rooted in our Principles of Partnership.

We have 12 Principles of Partnership, but they come down to this: respect and be loyal to



Miles Nadal, Founder and Executive Chairman, Peerage Capital Group

your clients and your partners, and work hard in good faith to serve their interests as well as your own; build trusting and supportive long-term relationships by being honest, a good listener, and a committed communicator; always make the effort to be kind and compassionate; and give back to your community.

It's not quite a principle, but Peerage has also been shaped by my deep personal belief in the power of dreams. I have dreamt big my whole life and I gravitate to others who never think or act small. That's the evolution of my philosophy, "Dare to dream."

What is the philosophy around Peerage Capital's investment strategy and how critical is the power of partnership as part of the strategy?

We invest in talented entrepreneurial people – and their passion – first and foremost. If Peerage can partner with the right people, with passion, a lot of the other variables take care of themselves. We also veer toward services sectors where we know we can add value and accelerate growth. Those are businesses that typically lend themselves to the partnership structure.

We have always used a partnership philosophy and model because it encourages entrepreneurs and their teams to retain an emotional and financial ownership stake in their enterprise. We want to tap into their passion and their vision – who knows their business better than they do? As partners, we provide financial and human capital and other resources that allow them to amplify their growth organically and through other partnerships. They provide the vision, experience, and regional market knowledge that boosts their business organically. But if they – or Peerage – identify a potential partnership that we can leverage on their behalf, we set about engineering a transaction. We have



Miles Nadal and wife, Kelly Grier

done several of these “tuck-unders” on behalf of existing partners – the deals can require finesse and patience, but they are worth it.

Over time, we have taken the time to grow the way we want to grow and with whom we want to grow. Over 2021 and so far in 2022,

we've forged a lot of new partnerships in the U.S. residential real estate market, for example, but those did not happen as suddenly as it may seem to others. We did a lot of advance analysis and planning so that when opportunities surfaced, we were ready to move.

Today, Peerage is a very different company – certainly in terms of size. But our values are absolutely the same, along with that focus on partnering with passionate, industry-leading professionals.

Will you discuss Peerage Capital's partnership principles and how these principles provide Peerage with a sustainable point of differentiation and competitive advantage in the marketplace?

Our partnerships give us remarkable strength and resilience – especially in a period of somewhat greater economic uncertainty. We have forged a corporate culture that prizes strategic curiosity. We ask the same hard questions of ourselves – and others – in good times and in tough times. The fact that Peerage Realty Partners forges genuine partnerships rather than making outright acquisitions is also key. It means our budgeting and planning process benefits from a collaborative integrity that incorporates the wisdom and perspective of our experienced partners across North America – as well as our own analytics and modelling.

If our partners raise a red flag, we listen closely. If they flag an opportunity, we also listen up. Because we start with trust, aligned values and a collaborative mindset, we move



Dr. Frank Luntz, Pollster and Global Communication Strategist, and Miles Nadal

“We are always recalibrating it, but I am certain there are very few companies anywhere in the world that are as genuinely committed to balancing the autonomy of partners with the strength of the collective enterprise.”



The Honorable Tony Blair, former British Prime Minister, and Miles Nadal



Miles Nadal, Ambassador Gilad Erdan, Permanent Representative of Israel to the United Nations, and Sarah Nadal

forward seamlessly – not that we do not have some intense debates from time to time! That candid spirit of partnership is a true differentiator for Peerage. We are always recalibrating it, but I am certain there are very few companies anywhere in the world that are as genuinely committed to balancing the autonomy of partners with the strength of the collective enterprise.

Will you provide some specific ways the Peerage partnership model has created value?

Overall, Peerage is a great catalyst for accelerated growth of each of our partnership enterprises. It has often been said that it is lonely at the top – especially in an intensely competitive and fast-changing sector like residential real estate, where we have become one of the top 10 North America brokerage firms by annual sales volume. This is even more true when markets shift from one phase to another.

As a specific example, Peerage Realty Partners has consciously created a community of like-minded entrepreneurial “peers,” all with proven track records of success and a sharp eye for opportunity. They have developed trust and respect in one another, allowing them to informally connect on whatever issues or challenges they encounter. Peerage facilitates their interactions through events, through regular calls and collaborative projects. Our leaders spontaneously share information and experience and use one another as sounding boards which started to happen during the deeply uncertain early days of COVID. It provided an impetus for them to connect and share market insights, but it has steadily gained momentum since then.

The results speak for itself: Peerage Realty now has partnerships with 22 leading residential real estate brokerage and related services firms with over 7,000 advisors and employees, and 280 offices across the U.S. and Canada, selling over \$70 billion of residential real estate across North America. We have also had exceptionally robust growth at Vaultra Storage, our fast-expanding Canadian self storage business, and our independent wealth advisory and investment banking firms, ARS in New York City and Echelon Wealth Advisors in Toronto, have over \$10 billion of assets under management.

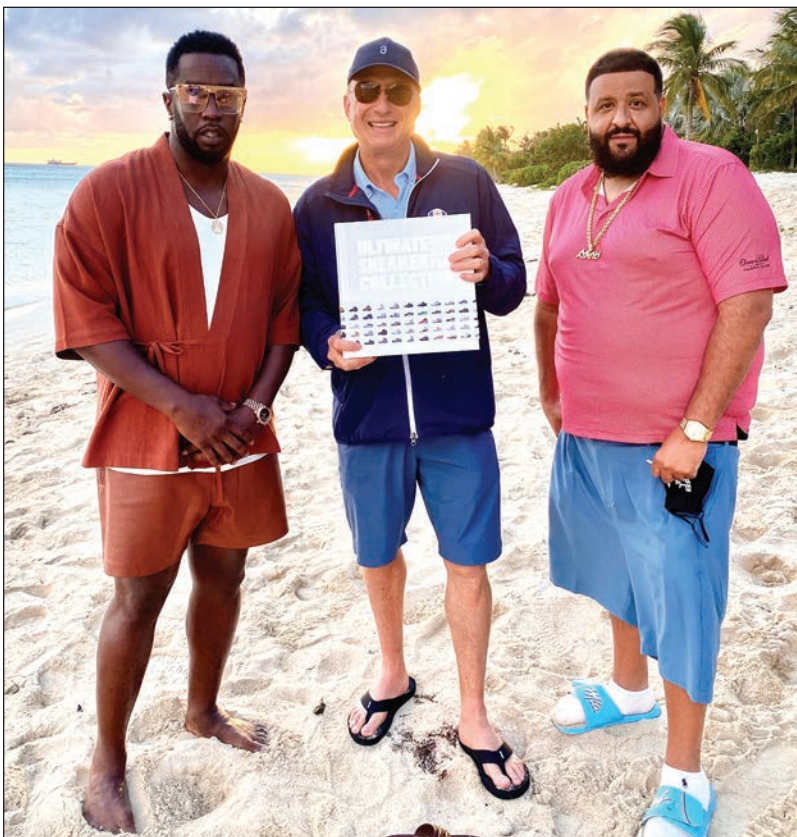
What do you see as Peerage Capital's responsibility to support the communities it serves and to be a force for good in society?

Community is everything – whether it is our CEOs coming together internally or our shared commitment to connect and support those among whom we live and work. The importance of community has been deeply reinforced through the pandemic and carries forward in the current climate of economic uncertainty. At a time of global fragmentation and disruption, we must focus more than ever before on the common denominators that bind us all together, not on the differences that drive us apart.

All of us within the Peerage circle are aware that as a team and as individuals, we are very blessed. One way we practice gratitude is to engage with the communities around us, especially those in need. It's one of our Partnership Principles and we make sure that commitment is more than pretty words. For example, we make it a priority for Peerage and for all our partner companies to do more than donate to a worthy cause or sit on a board – although



An artist's rendition of Miles Nadal and Michael Jordan



Sean "Diddy" Combs, Miles Nadal, and DJ Khaled

“But dreaming big has always been my way – my way of propelling myself forward – and I want to validate others in a meaningful way. That is why entrepreneurship is a big part of my philanthropic portfolio – it is also compatible with the Peerage business model of partnering with entrepreneurs.”

that is important as well. We encourage them to really roll up their sleeves and get directly involved with delivering through local Meals on Wheels programs, volunteering at food banks and clothing drives – and as a company, we are more than happy to match the funds they raise or to support a specific event. If someone has a passion for a certain issue, we make sure they have the time to dedicate to it.

In the earliest stages of our conversations with potential partners, their involvement with their communities is one of the first things we want to talk about.

You commit a great deal of your personal time and resources to philanthropy. Where did your passion for philanthropy develop and how do you decide where to focus your efforts?

I come from a very modest economic background. I know exactly what a transformational difference it can make in a young person's life to have access to an academic program, or a summer camp, or some piece of equipment that their family might not otherwise be able to afford. My guiding principle of contributing time, talent, and treasure to the benefit of others has been the quote from Forest Witcraft, "100 years from now, no one will ever remember the car you drove, the house you lived in, or for that matter, how much money you had in your bank account, but the world may be a different place if you have made a difference in the life of a young person."

I have been that kid. I know all about it. On top of that, much of what I have accomplished in my life began with people telling me that something couldn't be done and that I was crazy for trying. But dreaming big has always been my way – my way of propelling



Miles Nadal and Stephen A. Schwarzman, Founder and Chairman, Blackstone and renowned philanthropist

myself forward – and I want to validate others in a meaningful way. That is why entrepreneurship is a big part of my philanthropic portfolio – it is also compatible with the Peerage business model of partnering with entrepreneurs. When you help create opportunity for individuals with vision, it creates a virtuous circle that expands prosperity and opportunity for others.

On a larger scale, I support entrepreneurship through the Miles S. Nadal Management

Centre at the Schulich School of Business in Toronto. In Israel, there is the Miles Nadal Home for Technical Innovation and Entrepreneurship, and an incubator that is leading investment in some of the most innovative technologies in the world coming out of Israel.

I am a big advocate of matching the funds that people and organizations raise on their own. To me, it demonstrates the commitment and passion I am always looking for. I also like to champion young people whether it is through larger organizations that run national programs, or hyper-local and targeted initiatives.

One cause that's very dear to my heart is a local community-based micro-program that helps young people from very diverse and economically challenged backgrounds to articulate the vision for an enterprise, develop a business and marketing plan, and work with mentors – some of whom are from the Peerage team – to get it going. I am always so inspired by their energy and their optimism. Talk about daring to dream.

Creating spaces where young people have opportunities to develop skills is also a priority. As a kid, I was sponsored for a place in a summer camp, and it made a huge difference in my life. I understand that today, there are even more children who must overcome big obstacles just to get to the starting line in life. That's why I also support nutrition, sports, creative, and educational programs through BCGC, which used to be known as Boys and Girls Club of Canada.

Most recently my family and I have become involved in Camp Oochigeas that is providing summer camp experiences for children with cancer.

A strong community can empower children and families and ensure that inclusion and diversity contribute to sustainable success. That is



Bruce Meyer, founding Chairman of the Petersen Automotive Museum, and Miles Nadal

where the Miles Nadal Jewish Community Centre in the heart of downtown Toronto makes a big impact. There is something there for everyone and it is an incredibly welcoming place.

Technically, the Miles Nadal Heart Centre at the Sinai Health System is in the healthcare sector, but I view it as very much a community resource. Of their many exceptional resources, the one that always grabs me the most is the maternal heart care they provide to women who have high-risk pregnancies. Those stories are remarkable, and I always get very emotional when I hear them.

In keeping with the healthcare version of entrepreneurship, I most recently funded a medical fellowship program that allows talented young doctors from around the world to come to the Miles Nadal Heart Centre to learn and take that knowledge back to their communities.

There are many other initiatives that I support, or Peerage supports. It is very difficult to say we are narrowly focused on one area or another, because need is always evolving and we are always open to responding to it.

What are the keys to being effective in philanthropy and does it take the same skills that made you successful in business?

The common factor between business and philanthropy, at least for me, is passion. At Peerage, we invest in passion and the entrepreneurs who build and lead businesses with passion. When it comes to philanthropy, passion is also the overarching consideration.

I am very hands on in both business and philanthropy. Peerage is run on a day-to-day basis by a terrific team of professionals, but I get very personally involved in all we do as a corporation. The same is true with philanthropy. I do not have a formal foundation or dedicated staff running the show – we are a family office and that informs our approach. I engage with



Miles Nadal and Michael Milken, Founder, Milken Institute and international philanthropist

the organizations and people who demonstrate passion and inspire it in me.

We could probably impose the same disciplines and analytics we have for the business decisions we make, but philanthropy is my indulgence. It is my joy, not my labor – although I am passionate about both.

We have always espoused the belief that the greatest fulfilment in philanthropic initiatives comes from contributing time, talent, and treasure.

How do you define the attributes to effective leadership?

I read a great deal about leadership and there are so many accomplished people whose insights are valuable. While I do not believe that “one size fits all” when it comes to the attributes of effective leadership, there are a few things I try to remember.

Listen with an open mind. Even if you think you have all the answers, consider that might not always be the case. Really listen when others speak. Try to fully absorb what they are saying and what context or experience they are bringing to a discussion and do not interrupt them while they are speaking. One of our Principles of Partnership is the reminder that God gave us two ears and one mouth for a reason.

Give the members of your team the chance to manage through the issues they face on their own. Do not crowd them or second guess them. If they make a mistake or get into a jam, use it as a learning experience and have the discipline to refrain from saying “I told you so.” Humiliating people never puts anything right and just makes everyone fearful of taking initiative in the future.

To the extent possible, encourage diversity and inclusion. This tenet comes not from a place of political correctness or “wokeness,” but from practicality. If you surround yourself with people who have lived experiences, information, and perspectives that are different from yours, you just make better decisions. I try to be aware of the bias that comes when we gravitate – as humans always do – to others who are like them and have a similar background.

Another thing that too often gets overlooked is good old-fashioned courtesy. That starts at the top and it is a huge factor in setting the tone for a respectful corporate culture. If employees feel they will be demeaned or diminished, they will not speak up and they will not stay. Your mother taught you to mind your manners for a reason.



Nadal Family, (Left to Right) Samantha Nadal, Sarah Nadal, Adam Annibale, Olivia Grier, Kelly Grier, Miles Nadal, and Julia Grier

With the success that you have achieved in your career, do you take moments to reflect on your accomplishments and celebrate the wins?

I believe in practicing gratitude, in being mindful. One of my children said the greatest gift is the attitude of gratitude. I am very aware that I have been blessed with remarkable opportunity and, even more importantly, with the ability to identify and seize that opportunity. Maybe because I grew up in modest circumstances, I never stop pushing forward. I have a restless mind and I am always looking for new ways to apply what I have learned or what I am thinking about. To be clear, having a mindset that is anchored in gratitude – and a leadership team that shares that approach – is not about softness when it comes to business. If anything, it pushes us to the highest standards of rigour across all our operations because we are aware of all the benefits that accrue from being successful and extending more opportunity to more people.

The truth is that I am by nature a partner – there is a reason why Peerage Capital’s structure enshrines partnership. I get tremendous satisfaction from working with others, setting common goals, and moving steadily toward their achievement. Much of what I have been able to accomplish in my life has been because I am amply supported by those around me, and I certainly reflect on the wins we have as a team.

Are there lessons you derived from your experience over the course of the pandemic?

The isolation imposed by the COVID lockdowns really brought home the importance of interacting with other people and the joys of travel. I am not sure I will ever again take these things for granted. In the aftermath of the pandemic, I have really come to understand the degree to which we gain energy and inspiration



Miles Nadal and David Kohler, President and CEO, Kohler Company

from others, especially those who are doing very different things. It is truly a gift.

What advice do you offer to young people beginning their careers during this unprecedented time?

On one level, it is hard to give advice to young people because they face very different circumstances and realities than I did when I was setting out. I am also the first one to admit that I am far from perfect when it comes to anything. That said, there are a few basic business principles that always apply.

It is essential to be curious and to ask questions. There is no question too simple. In fact, those are often the best questions given how common it is for people who are deeply immersed in a business to develop tunnel vision. It is equally essential to listen to the answers, and I mean really listen – not just cling to the information that confirms your existing bias. You must be prepared to have your assumptions challenged and disrupted.

Never ignore your gut. It is all too common and all too easy to rely on the numbers and the chart and ignore something as basic as the vibe you get from someone or the small details that do not quite add up. If you have a persistent unease about a person or a business or a deal, I think you should have the self-confidence to pause and reflect upon it. As the saying goes, when someone shows you who they are, believe them the first time.

While it is important to be focused and passionate about business and growth, balance and perspective are very important too. When you are in the engine room of an enterprise and making sure every part of the mechanism is optimized, you sometimes forget to come up for air and light. I have learned over time to pay closer attention to all the nourishment I can get from other people and from the world around me. Clear priorities are a good thing, but you cannot be entirely rigid about them.

One thing that is not sufficiently valued in the world of business is kindness. Being kind to others is not evidence of softness or weakness – quite the contrary. It is the best way to build long-term, trusted relationships.

Where are you most at peace?

I am at peace wherever I lay my head. If I have my family around me and they are happy and healthy, then I am very happy. ●



The Right Honourable Stephen Harper, Former Prime Minister of Canada, and Miles Nadal