

NYSCAR *News*

Fall 2005

New York State Commercial Association of REALTORS®, Inc.

Capital Region Chapter holds its first annual meeting

By Bob Gliniecki, CCIM, SEC

The Capital Region Chapter of the New York State Commercial Association of REALTORS® (NYSCAR) held its first annual meeting on Sept. 29 in Albany at the Italian American Community Center. Following the annual meeting, a very successful marketing session which drew 38 attendees, was held.

Officers and Board of Governors members were elected at the start of the meeting. The following individuals will serve as officers in 2006: President Howard Carr, Howard Group, Albany; Vice President Richard Ferro, CCIM, Prudential Blake-Atlantic REALTORS®, Albany; Secretary Peter West, Premier Realty Concepts, North Adams, MA; and Gordon Furlani, CB Richard Ellis, Albany.

The following mem-

bers will serve on the 2006 Board of Governors: Past President Donald E. Welch, DEW Real Estate, Albany; Donald Coon, Ballston Lake; James Villasenor, Realty Associates, Glenmont; and William Hafner, Hafner Valuation Group, Albany.

Bob Gliniecki, CCIM, SEC, Foresite Prop., Albany coordinated the marketing session and moderated those attendees who had "cash" for the purpose of real estate placement and to fund mortgages. Joel Dropkin, Creek House Real Estate, Goshen moderated those attendees who presented quick "haves and wants" situations. Dropkin also conducted formal moderated marketing along with Peter West, North Adams, MA and Tim Halligan, Exchange Authority, LLP, Pepperall, MA. Virtually all attendees who made presentations received of-



The marketing session generates several offers.

fers of interest for their respective presentations.

During the luncheon session, Halligan spoke to attendees on the various update issues pertaining

to the completion of IRC 1031 Real Estate Exchange. He also provided an update on the recent U.S. Treasury regulations and rulings.

Metro Long Island Chapter meeting is a success

By Edward S. Smith Jr., RECS

The Metro Long Island Chapter of the New York State Commercial Association of REALTORS® (NYSCAR) held its first meeting on Oct. 20 since reorganizing to serve Long Island and the five boroughs of

New York City.

Thirty-eight commercial agents attended the meeting where they enjoyed a presentation on 1031 Exchanges by Matt Scheriff, CPA, Security 1031 Services, Inc., followed by an exchange of "haves and wants."

See Long Island, p. 7



IN THIS ISSUE:

Rochester Chapter Seminar • Report from NAR's Annual Conference

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President's Message

As my term as president comes to an end, I would like to take this opportunity to thank the Executive Committee, Board of Governors and all of the committee volunteers for everything they have helped achieve over the past two years.

Currently, NYSCAR has a membership of more than 675 commercial practitioners, affiliates, and sponsors belonging to six active chapters throughout the state. We offer our members and other industry practitioners a wide range of commercial courses that are designed by our board, professional teaching members and the CCIM Institute. All of our educational programs are extremely successful and most fulfill New York state continuing education requirements.

Our commercial information exchange website powered by Catalyst, nyscarxchange.com, is linked to the largest broker-driven commercial property listing service in the world. The networking capabilities provided by our local chapters and regional property exchanges have produced some of the largest transactions across the state between our members.

I especially want to thank all of the members who assisted in making our annual real estate conference at Turning Stone Casino a huge success. I am proud to leave the organization in the hands of the 2006 leadership and I will continue to support NYSCAR as the premier commercial real estate organization for commercial professionals in the state.



Steve Perfit, CCIM, SIOR

There have been a number of events over the past few months and several coming up that I would like to discuss. I recently attended a very productive REALTORS® Commercial Alliance meeting in San Francisco during the National Association of REALTORS® (NAR) Convention. Many items were discussed including RCA communications, broker lien laws, license portability, tenants in common and tax reform. The RCA Committee is striving to bring all of the various commercial groups and societies together with one voice. They will also use the political clout of NAR's 1.2 million members for both local and national legislative action. Discussion surrounding commercial standards of practice suggests that it would help to achieve universal license portability. Tenants in common legislation would make such transactions come under real estate brokerage, not SEC regulation (see page 6).

See President, p. 7

Rochester Chapter provides marketing, educational opportunities at its 2-day seminar

By Joseph Rowley Jr.

The Rochester Chapter of the New York State Commercial Association of REALTORS® (NYSCAR) held a two-day marketing and education seminar on Oct. 18 and 19 at the Doubletree Inn in Rochester. More than 65 commercial real estate brokers and affiliate members were in attendance.

REI Data Inc. was the major sponsor for the event with additional support provided by New York Bankers Title Agency, Rochester Cornerstone Group and Bank of America.

The marketing session was moderated by Ted Blank, SEC, CCIM, Centennial, CO; Ed Berlinski, SEC, CCIM, Commercial Real Estate Co., Rochester; Wayne Jensen, SEC Commercial Property Network, Binghamton; and Don Dobroski, SEC, Eastern Commercial Properties, Mendon. This team of exchange experts exposed more than 50 properties marketed by broker and owner representatives to the marketplace for sale, lease or exchange. Transactions were initiated at this meeting, pairing potential buyers with invest-

ment properties, or potential tenants with available buildings for lease.

After all of the participants were introduced the properties were presented and handouts were distributed. Cash "haves and wants" were discussed during this session when requests by brokers representing available money for investment in specific projects were made.

The governmental affairs luncheon featured New York State Assemblyman Joseph Morelle and New York State Senator Joseph Robach. Both answered five prepared questions regarding eco-

nomie development, followed by questions from the floor. While upstate New York has undergone a slow transformation from a traditional manufacturing economy into a new economy, they expressed optimism for the future of high-tech manufacturing, tourism and service sector expansion.

The afternoon session focused on tenant needs and completed the available property presentations. The day concluded with a welcome reception.

The next day Ted Blank taught the course, "High Touch Real Estate Brokerage in a High Tech World, Counseling

Your Clients." This six-hour continuing education course focused on improving brokers' skills in understanding the clients motivation beyond the sale of the real estate asset. Counseling goes beyond determining the sale price of a property to be sold, it involves examination of the motivation to sell, understanding where the proceeds will go and suggesting alternate ways to achieve the clients' goals.

The two-day seminar was a success, allowing a forum for exchange of information and networking for all who attended.

Chapter Meeting Schedule

Hudson Valley: Meets the second Tuesday of each month. Call Chapter President Eric Bickmann at 845/226-1212.

Metro Long Island: Call Ed Smith at 631/588-9090 for details.

Southern Tier: Meets the first Friday of each month. Call Wayne Jensen, SEC at 607/651-9446.

Western New York: Meets the third Thursday of each month. Call Eric Tudor at 716/839-6100.

Rochester: Meets the second Thursday of each month. Call Joe Rowley at 585/240-8080.

Greater Capital: Meets the third Thursday of every other month. Call Don Welch at 518/435-1456.

TRIPLE PLAY 2005 Commercial Sessions

Atlantic City Convention Center, Atlantic City, New Jersey

December 6-8, 2005

Real Estate Client Counseling & Representation, Ted J. Blank, CCIM -

Tuesday, December 6, 9 a.m. – 4:30 p.m.

This comprehensive course will give you the tools to provide more professional service to clients through the practice of counseling. Having a complete understanding of the clients' needs and wants will open new alternatives to marketing listed real estate and help your clients to achieve their real estate buying and selling goals. This program will change the way you do business!

Introduction to Creative Marketing of Commercial-Investment Real Estate, Robert R. Giniacki, CCIM, SEC - Tuesday, December 6, 1:30 – 4:30 p.m.

Gain an understanding of the alternative methods of acquisition and disposition of commercial-investment real estate including the use of the real estate exchange. You'll learn to effectively prepare property marketing presentations and how to expand your clients ability to achieve their goals through the use of an expanded brokerage network. You'll discover how to get results through effective client counseling and profiling, as well as creative financing.

The Process and Benefits of a Commercial-Investment Marketing Session, Robert R. Giniacki, CCIM, SEC - Wednesday, December 7, 9 - 10 a.m.

This brief seminar explains what to expect in a commercial-investment real estate marketing session and demonstrates how the information-sharing and networking process works to the benefit of you and your clients. You'll learn how to prepare for an effective property presentation including using standard marketing session forms to facilitate the development of a real estate transaction for your client.

Commercial-Investment Property Marketing Session - Wednesday, December 7, 10 a.m. – 4 p.m.

This "deal-making session" provides you the opportunity to market and generate transaction offers on your commercial-investment property listings and match available properties with your clients' needs, including cash buyers and those looking to sell or exchange. In addition to the potential of generating transactions, you'll have the chance to network with commercial-investment brokerage attendees from different geographic areas. Bring sufficient copies of a one-page executive summary describing your property (including financial data) to share with interested parties.

Today's Opportunities with 1031 Exchange, Marcie Roggow, ABR, CCIM, CRS, GRI - Wednesday, December 7, 2 – 5 p.m.

Increase your business by offering advice that can save your clients money through delaying the tax on the sales of their investment properties. You'll see when and how a 1031 exchange can be used to postpone the paying of capital gains tax when purchasing a like-kind investment property. You'll also see how to locate and professionally serve investor clients by helping them save the profits they have acquired.

How to Work with Real Estate Investors, Tom Lundstedt, CCIM -

Thursday, December 8, 9 a.m – 12 p.m.

Don't miss out on business opportunities because you don't have the confidence or skills necessary to work with real estate investors. In this session, you'll gain the tools necessary to take part in this high-potential market, including how to analyze an investment property before buying; how to determine the proper value of an investment property; and how to reduce the income tax burden when disposing of a property. This session is a must for those who want to work with investors.

NAR to launch leading index for commercial market

During the National Association of REALTORS® (NAR) Annual Conference and Expo in late October, NAR announced the development of a new leading indicator for the commercial real estate market, the first of its kind, to be launched in early 2006.

NAR's Chief Economist David Lereah said the Commercial Real Estate Leading Indicator will incorporate data from a variety of indicators proven to affect commercial real estate activity. "Modeling a relationship between economic and commercial market indicators, as well as market trends and sentiment, will provide us with a new tool in assessing market behavior in the major commercial real estate sectors," he said. "It is being designed as an index to provide early signals of turning points between expansions and slowdowns in commercial real estate activity."

It is widely accepted that commercial market activity lags general economic activity, so timely information is needed to make better informed decisions. NAR is reviewing a variety of indicators that can affect commercial real estate activity, studying the relationships of those indicators and modeling a forward looking index based on historic trends.

"Eventually, this data will be more directly coupled with attitudinal responses from our Commercial Practitioner Survey. This is a new survey, which focuses on sentiment regarding local commercial market conditions, so as we develop a time series we can refine the relationship between those findings

and data points in the index as it matures in the future," Lereah said.

James Marrelli, NAR vice president of commercial real estate, said creation of a new indicator marks the maturation of a commercial real estate focus inside the association with more than 100,000 members offering commercial services. "This index will be the fulfillment of a key strategic objective and the need for such an indicator has been growing over time. Up to now, commercial decision-makers have relied on recent hard data and assumptions about future direction," he said.

"With development of the Commercial Real Estate Leading Indicator, we are bringing forth a full spectrum of critically important information to provide better guidance on where the commercial real estate markets are headed, and to aid market makers in developing strategies for the future," Marrelli said.

The quarterly index will incorporate data from existing statistical series that are demonstrated historically to impact the commercial real estate market. Although individual indicators sometimes move in opposite directions, together they often offer a better indication of future market activity.

Eleven series currently are being evaluated, including several related to employment, as well as industrial production, durable goods shipment, wholesale and retail sales, real estate investment trust (REIT) prices and trade. The index will evaluate the relationship of these indicators with space absorption figures for the office, retail and in-

dustrial sectors, and the value of construction put in place for private non-residential investment. Unique weights will be assigned to each index component and are likely to be modified over time, as may the components themselves depending on availability and relevancy of the series in the future.

Preliminary estimates of the working model for the Commercial Real Estate Leading Indicator show a modest improvement between the 2005 second and third quarters. In addition, some attitudinal results from the Commercial Practitioner Survey show most respondents rate current business activity as being stable or moderately improving; 13 percent said it was deteriorating.

On balance, to find the right space or property for a client, most practitioners said there are fewer choices but that it is not a major problem; 32 percent said there was no problem.

When asked about the relationship between rents and operating costs, the results were almost equal for costs rising faster than rent, and for both of them rising at about the same rate; nearly one out of five said rents were rising faster in their area.

Regarding expectations for business conditions over the next year, most practitioners are moderately optimistic and 14 percent were pessimistic.

Three-fourths said recent interest rate increases have not impacted investor activity in their market, and 60 percent report new non-pre-leased commercial development is currently occurring in their area.

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Report from the NAR meetings

The following is a report of the Commercial Legislation and Regulatory Subcommittee, which met during the National Association of REALTORS® (NAR) meetings in San Francisco, CA in late October.

NAR's Tax Counsel and Tax Reform Working Group members discussed the possible charges to the taxation of investment real estate that the President's Tax Reform Commission may bring. Because the President's Tax Reform Commission is considering replacing the tax provisions pertaining to the depreciation and capital gain of real estate with a provision that would allow the expensing of real estate acquisition, the subcommittee approved the following recommendations: "The National Association of REALTORS® believe that a workable tax system should reflect the stream of income and expense associated with long term real estate investment. Expensing and the loss of interest deductions are ill advised for real estate investments." This recommendation was referred to the Federal Taxation Committee to be incorporated into a larger position on the tax reform proposals. This recommendation was also supported by the REALTORS® Commercial Alliance Committee.

The subcommittee received reports from two commercial practitioners in the Gulf Coast region who noted, following the recent natural disasters, that homeowner's and commercial real estate insurance had become scarce. Based on the discussion on natural disaster insurance, the subcommittee ap-

proved a motion reaffirming NAR's existing policy on natural disaster insurance. The motion was referred to the Land Use, Property Rights and Environment Subcommittee.

The chair of the Tenants in Common (TIC) Working Group presented the recently published guidance to members. The guidance provides an overview of the securitized and non-securitized facets of the TIC industry, the regulatory conflicts between state real estate laws and federal and state securities regulations, and the risk to the real estate professional and the client in referring a client into a TIC investment. The chair also provided an update on NAR efforts to allow real estate professionals to participate in the brokerage of securitized TIC interests. It was noted that the SEC was interested in working with NAR to further define and understand the regulatory and legal parameters that govern real estate

professionals in the brokerage of TICs. The subcommittee directed NAR staff to work more closely with the Association of Real Estate License Law Officials (ARELLO) to address these concerns.

The subcommittee received an update on multifamily FHA programs from HUD's Assistant Secretary of Congressional and Intergovernmental Relations Steven Nesmith. FHA Multifamily programs were added to the subcommittee's purview at last year's annual meeting. Nesmith expressed an interest in working closely with NAR's commercial members on these programs.

The commercial liaison provided an update on the Eminent Domain Working Group activities and explained their recommended policy as it pertains to state and local decision making. While some concern was raised on using eminent domain for private use, no recommendations were made.

Mark your calendar now!

June 14 - 15, 2006



**5th Annual New York State
Commercial Real Estate Conference**

President

from page 2

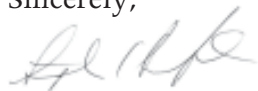
During NYSCAR's meeting in Saratoga Springs in September the following individuals were elected as NYSCAR's 2006 officers: President David M. Dworkin, Rochester; First Vice President Maureen Wilson, CCIM, SIOR, Endicott; Second Vice President Joseph F. Rowley Jr., Rochester; Secretary Donald E. Welch, SIOR, Albany; and Treasurer Michael Johnson, Buffalo. The following individuals will serve as governors: James Kelly, Syracuse; Carolyn Murray, Buffalo; and Jerry Norton, CCIM, SIOR, Long Island. Congratulations and good luck to each of you!

As you can see from this newsletter, the chapters have been quite active. I had the pleasure of attending a course sponsored by the Greater Capital Chapter of NYSCAR in Albany this November. Bob Giniiecki, CCIM, SEC taught the formulas course, which received great attendance.

The Long Island Chapter is no longer affiliated with LICN of LIBOR now that it has been successfully reorganized. Its new identity as the Metro Long Island Chapter of NYSCAR already attracted more than 40 commercial professionals to their first meeting (see page 1).

I would like to wish everyone a happy, healthy and prosperous New Year. Thanks again to all of the volunteers and staff for your help!

Sincerely,



Steve Perfit, CCIM, SIOR
President

Long Island

from page 1

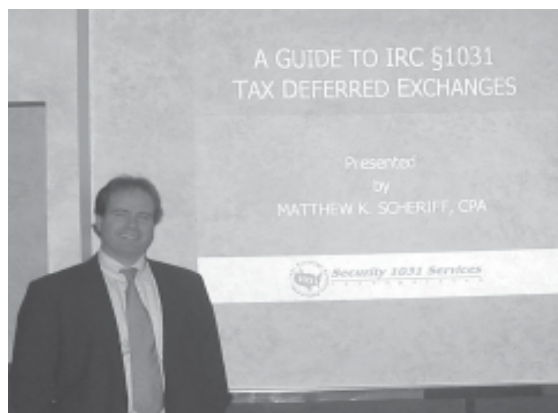
The 2005 officers were introduced during the meeting including: President Edward Smith, Coldwell Commercial NRT, Ronkonkoma; Vice President Gail Gladstone, Coldwell Banker Residential, Huntington; Treasurer Sharon Langdon, Millenium Homes, Huntington Station; and Secretary Leonard Primack, Leonard Primack Assoc. LTD, Commack.

The following directors were also introduced: Ed Gottlieb, Century 21 Yve, Hewlett; Matt Horn, Berry Hill Assoc., Commack; Alan Hendrickson, Coldwell Banker Residential,

Plainview; Harvey Kolin, Coldwell Banker Residential, Babylon; Jack Malone, Century 21 Northern Shores, Northport; and Jerry Norton, CCIM, Grubb & Ellis, Melville.

Two director seats remain vacant. Those individuals interested in filling a director position are encouraged to submit their resume to the Nominating Committee.

The 2006 incoming President Sharon Langdon was introduced to attendees and briefly spoke about the benefits of NYSCAR membership and the profitable experiences she has had at NYSCAR's marketing sessions, which are held throughout the state. The next chapter meeting is planned for January.



Left: Matthew K. Scheriff, CPA provides attendees with an informative course on tax deferred exchanges.

Below: Metro Long Island attendees enjoy breakfast before beginning the program.



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Happy Holidays!