

NYSCAR *News*

Spring, 2010

New York State Commercial Association of REALTORS®, Inc.
Bringing Commercial Real Estate Practitioners Together

9th Annual NYS Commercial Real Estate Conference - June 14-16

Still Time to Register! Early Bird Registration Ends May 28!

If you have not yet registered for the 9th Annual NYS Commercial Real Estate Conference, be sure to sign up today! Make a minimal investment in yourself and your future and get a big return! Early bird registration for members is just \$125.00! The registration includes the marketing session, education classes, updates from industry leaders, fantastic networking, breakfast for two days, lunch for three days and the welcome reception - a value you can't beat!

The conference, held June 14-16 at the Turning Stone Resort Casino in Verona, New York is sponsored by the New York State Commercial Association of REALTORS®, the New York State Chapters of CCIM and SIOR and the Society of Exchange Counselors.

Marketing Session (June 14-15). The conference kicks off with a

Marketing/Networking Session. Join practitioners from New York and beyond to market your properties available to co-broke and your client requirements. Find property for cash buyers. This session is moderated by Jim Wilson, CCIM, SEC (Florida) and Chuck Sutherland, SEC (Texas). The marketing session grows each year and is always an excellent event.

Golf: If you enjoy playing on a world-class golf course, please join us on the Shenendoah course, June 14.

Organizational Meetings: The NYS Commercial Association of REALTORS®, the CCIM Chapter and the SIOR Chapter will hold their organizational meetings dur

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Creative Real Estate Formulas Course A Great Success!



41 students attended the April 21 Fishkill, NY class instructed by Chuck Sutherland, SEC (Texas). The class was presented by NYSCAR in cooperation with the Hudson Valley Chapter.

In this Issue

Update from NAR Meetings, Washington DC

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President's Message

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During my visit to Washington, DC last week for the NAR Mid-Year Meetings, I was greatly impressed at how coordinated and professional the Legislative Lobbyists for Realtors® are. Talking Points were prepared in a convenient packet for all that went to Capitol Hill for meetings with Senate and House of Representative Leaders. Regional Caucuses were held before and after these meetings, and reports were shared by the NAR Staff of recent accomplishments and setbacks, and set out our agenda moving forward.

One of the four talking points was on Commercial Mortgage Market Liquidity. It is essential for the lending climate to improve dramatically to help our economy pick up out of this Great Recession. The Realtors Commercial Alliance assembled a Commercial Information Pack that included the Commercial Priorities, Framework for a Sustainable Commercial Real Estate Recovery, additional Legislative Talking Points and an explanation of the new Medicare Tax on "Unearned" Net Investment Income.

This new 3.8% Medicare tax will apply to the "unearned" income of "High Income" taxpayers. Another 0.9% tax will apply to the "earned" income on many of these same individuals. This portion of the Bill had no legislative draft, debate,



Joseph F. Rowley, Jr.

hearings or any lobbying. It was first inserted into the Bill 48 hours before the bill was passed. This looks to be the way of the future, increasing taxes to cover budget deficits both nationally and locally. Please consider contributing, or increasing your contribution to the Realtors Political Action Committee fund (RPAC). With over 1,000,000 members of NAR, we are the largest trade association in the country and yield considerable power legislatively. It is more important now than ever to invest by contributing to RPAC to protect our clients and our profession's best interest.

I look forward to seeing you at the annual conference!

Sincerely,

A handwritten signature in blue ink that reads "Joseph F. Rowley, Jr." The signature is written in a cursive, flowing style.

Joseph F. Rowley, Jr.
President

Conference, con't from pg 1
ing the conference.

On June 16, you will have a choice of five commercial courses as follows:

“Utilizing Self Directed IRAs for Real Estate Investment...Tax Enhanced Programs for Companies and Individuals,” by Steve Moran, Entrust Northeast (3 hrs)

“Yesterday’s Business-VANISHED-Transform Today or Be Left Behind” by Tim Conley, CCIM, SIOR, Conley Associates, (3.5 hours)

“Effective Counseling and Representation of Real Estate Clients,” by Jim Wilson, CCIM, SEC and Bob Giniecki, CCIM, SEC (7 hours)

“Discrimination Issues in Commercial Brokerage,” by Edward S. Smith, Jr., ITI, (3 hours)

and **“Analysis and Financing of Owner/User Commercial & Business Property,”** by Patrick J. Mucci, Key Bank (3 hours)

All courses have been submitted to the NYS Department of State for continuing education credit.

At the luncheon on the 16th, sponsored by Pyramid Brokerage, in addition to keynote speaker Dr. Mark Dotzour, there will also be updates from industry leaders: Mike Kelly, NYSAR Director of Government Affairs and Hank W. Fries, President, NYSAR.

**Dr. Mark Dotzour
Keynote speaker for
the Annual Conference**



Dr. Dotzour will be the keynote speaker for the 9th Annual NYS Commercial Real Estate Conference in June.

Dr. Dotzour is the Chief Economist and Director of Research for the Real Estate Center at Texas A&M University in College Station, Texas. He earned his Ph.D. in the Department of Finance at the University of Texas at Austin in 1987 and served as Associate Professor of Real Estate and Finance at Wichita State University for 10 years. Dr. Dotzour was the keynote speaker four years ago and was enormously popular!

Don't Miss Out
on a great networking
and education event!
Go to www.nyscar.org today

*As always, we are
in debt to our sponsors.*

Many thanks to:

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Registration and exhibitor information:

Go to www.nyscar.org
On the left-hand side of the home page you will see the 9th Annual Conference, just click for a registration form.

On the right-hand side of the screen you will see a conference video, directly under the video you will see a form to submit for the marketing session.

Exhibitor: interested in being an exhibitor? Please email Ali Mann amann@nysar.com for an exhibitor flier.

REALTORS® Take to the Hill to Press Real Estate Concerns on Congress

Washington, May 12, 2010

Several thousand Realtors® ascended Capitol Hill today to persuade their members of Congress to protect affordable and safe financing for American families and to reform government-sponsored enterprises (GSEs) Fannie Mae and Freddie Mac.

The Realtors® are among more than 7,700 attending the National Association of Realtors® annual Midyear Legislative Meetings & Trade Expo here this week. Other top issues they carried to Congress are affordable and available property insurance including the National Flood Insurance Program and natural disaster coverage, and enhancing liquidity in the commercial real estate market.

“You must tell your Senators and Representatives that legislation should not increase buyer down payments,” said Jerry Giovaniello, NAR senior vice president and chief lobbyist, at a Realtor® rally early this morning. “And that we oppose the amendment by Sen. John McCain (R-Ariz.) that would shut down Fannie Mae and Freddie Mac. The two GSEs are unique in the world and must continue in some form in the future.”

The Realtors® want both the House and Senate to pass H.R. 5072, sponsored by Reps. Maxine

Waters (D-Calif.) and Shelley Moore Capito (R-W.Va.), that would strengthen the Federal Housing Administration while still allowing access to safe and affordable financing by responsible borrowers. They also pressed legislators to pass H.R. 2483, by Reps. Brad Sherman (D-Calif.) and Gary Miller (R-Calif.) that would make the current FHA loan limits permanent. The current limit in high-cost areas, set to expire Dec. 31, 2010, is \$729,500.

“Congress must restructure Fannie Mae and Freddie Mac in a way that keeps the federal government involved in the secondary market to ensure mortgage liquidity in all markets and in all conditions. In past economic crises, private capital flees the market first,” said Giovaniello.

But, he noted, legislative action on GSEs is not likely until 2011.

The Senate and House have not yet agreed on long-term flood insurance extensions or program reform. NAR is urging that Congress reauthorize the NFIP for five years and bring more certainty into the market, instead of the usual short-term reactive extensions that disrupt the flow of business. Since September 2008, Congress has approved seven short-term extensions and allowed the NFIP to ex-

pire twice.

Insurers have responded to recent natural disasters by raising premiums or declining to write policies in many parts of the U.S.; and because the standard homeowner’s policy does not cover flooding, windstorms or earthquakes, most Americans rely on the NFIP or a state program for coverage for natural disasters. Therefore, NAR supports such legislation as H.R. 2555 by Rep. Ron Klein (D-Fla.) to encourage state property insurance programs to proactively address the need for insurance coverage.

Realtors® also urged Congress to take action to enhance liquidity in the commercial real estate market to avoid driving down economic recovery. Most commercial mortgages, unlike residential mortgages, are short-term loans that readjust rates every few years, or must be refinanced. Lenders have not been willing to refinance such loans in the current economic crisis, thus throwing many commercial real estate properties into default.

The National Association of Realtors®, “The Voice for Real Estate,” is America’s largest trade association, representing 1.1 million members involved in all aspects of the residential and commercial real estate industries.

Prevent New Tax Burdens on Real Estate

(NAR issued a Call to Action this week on these two issues.)

Congress is considering changes to the tax code in order to pay for a number of tax provisions expiring in 2010. Two of these provisions would impact real estate.

The first would require all owners of rental properties to file IRS 1099 forms for all contractors they do business with if they pay that contractor \$600 or more in any given year. This onerous provision would apply to even the smallest landlord.

In addition, Congress is considering taxing "carried interest" at ordinary income rates instead of capital gains. Carried interest rules govern how general partners in real estate investments pay taxes when the investment is sold.

These new tax burdens will further delay the real estate market recovery. These proposals are ill-advised, inopportune and potentially destructive.

Please tell Congress to oppose them today.



Member News

Joseph Larkin, CCIM, SIOR,
MCR, MRICS

Larkin Teaches Advance Commercial Real Estate Course at the Russian Guild of REALTORS®



Albany, May 4, 2010

Joseph Larkin, CCIM, SIOR, President of Larkin Commercial, Inc., Albany presented an advance five day training program on Corporate Real Estate to commercial real estate practitioners at the Russian Guild of REALTORS® training facility in Moscow Russia. This advance training was attended by real estate developers, corporate executives and brokers. Most of the students that attended were from Eastern European countries however, there was one student from Ireland! The advance training program is focused on advance analysis of real estate strategies for corporate real estate.

2010 NYSCAR Chairs/Vice Chairs

Bylaws, John Lavelle,

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Education, Ed Smith, Jr., ITI,

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Commercial Market Still Struggling, But REALTORS® Focus On Positive Trends

Washington, May 14, 2010

While the commercial real estate market may not have fully recovered, National Association of Realtors® Chief Economist Lawrence Yun identified some developing, positive trends in the market that could eventually lead to recovery at the “Economics Issues and Commercial Business Trends Forum” yesterday.

The forum was part of a three-day real estate summit, *Realtors® on the Rise: Stabilizing the U.S. Mortgage Finance Delivery System*, during NAR’s Midyear Legislative Meetings & Trade Expo this week in Washington, D.C.

“With the momentum of a broader economic expansion and the recent creation of jobs, the commercial market is showing slight signs of improvement,” said Yun. “There will likely be weaker figures through 2010, but it’s important to keep in mind that commercial real estate almost always lags the economy by a full year.”

Yun said jobs only began increasing a couple of months ago and are still below peak. “We have turned a corner in terms of jobs, but we still have a long way to go.”

The commercial market has seen a few improving trends in recent months. The market is experiencing an increase in transactions due to more distressed properties available, and prices are beginning to stabilize. Yun believes within the next year more lending will slowly become accessible to commercial property owners. Two commercial sectors showing the most promise are manufacturing and multifamily. Manufacturing activity and employment have risen recently and because household formation is also rising, the multifamily sector will likely fare the best during this economy.

Despite some of these promising trends, the commercial market is still experiencing high vacancy rates and rent concessions. “All real estate is local, but I expect to see vacancy rates bottoming out and rent rising by next year,” said Yun.

Yun also warned against some of the possible risks commercial practitioners may experience in the future such as high interest rates and inflation, as well as increased taxes for commercial real estate investors.

During the session, Yun was joined by two leading economic experts, Diane Swonk, Mesirov

Financial; and Brendan Reilly, Commercial Mortgage Securities Association. The panelists agreed that an improving economy and job creation continue to be the two main factors when it comes to restoring the commercial real estate market.

“The commercial market may not be where we would like to see it right now, but it is trending up,” said Swonk. “The economy is slowly stabilizing and jobs are steadily rising, but full recovery cannot happen without liquidity. Liquidity is the fuel for the engine in the commercial real estate market.”

While in D.C., Realtors® are actively engaging policymakers on Capitol Hill in an effort to enhance liquidity in the commercial real estate market to avoid driving down economic recovery. Realtors® support an increase to the cap on credit union business lending and urge lawmakers to take a more active role in addressing the problems facing commercial real estate markets.

The National Association of Realtors®, “The Voice for Real Estate,” is America’s largest trade association, representing 1.1 million members involved in all aspects of the residential and commercial real estate industries.

Professional Standards Corner



David M. Dworkin, Chair
(Rochester)
Robert Strell, Vice Chair
(Buffalo)



Free Educational Webinars from the REALTORS® Commercial Alliance

NAR Commercial offers free monthly webinars designed to supply members and association staff with valuable information to support their business growth and development. These prerecorded webinars will address a mix of topics ranging from sales techniques to marketing to negotiations that can be applied to commercial real estate, or any business.

The goal of each webinar is to arm attendees with knowledge and information to support their overall business needs. Each session will feature a 2010 Signature Series speaker.

Check back regularly for future sessions - they will be added on a monthly basis.

go to http://www.realtor.org/commercial/free_educational_webinars

Webinars

Topic: Negotiating

Title: Negotiating the Commercial Lease

Speaker: Richard Muhlebach, CPM, CRE

Topic: Economy and Industry

Title: RE/set, RE/position and RE/start

Speaker: G. Edmond Massie IV, ALC, CCIM, GREEN

NAR Meetings:

Professional Standards

The NAR Board of Directors passed a change to Article 10 of the NAR Code of Ethics barring REALTORS® from denying equal professional services on the basis of sexual orientation or from discriminating against any person on the basis of sexual orientation.

Standard of Practice 10-3 was amended as well to prohibit discrimination on the basis of sexual orientation in any advertisements for selling or renting property. **The Code of Ethics change must still go before the NAR Delegate Body for approval at NAR's annual conference in November.**

Additional Actions from the National Association of REALTORS® Mid Year Meetings

NAR Dues and Special Assessment

The Board voted to keep NAR dues at \$80 and keep the Public Awareness Campaign special assessment at \$35 for the three-year budget cycle, 2011-13.

2011 Leadership

The board recognized the association's 2011 slate of officers: President: Ronald Phipps, Warwick, R.I. President-elect: Maurice "Moe" Veissi, South Miami, Fla. First Vice President: Gary Thomas, Aliso Viejo, Calif. Treasurer: Bill Armstrong, Damascas, Md.

The Treasurer seat was contested: Armstrong was elected over Mike McGrew of Lawrence, Kan., by ballot during the meeting.

**NYSCAR Board of
Governors Meeting**

June 15, 2010

Turning Stone Resort and
Casino, Verona, NY

NAR Convention

New Orleans
November

Triple Play

Atlantic City, NJ
December

NAR Commercial site:

[http://www.realtor.org/
commercial](http://www.realtor.org/commercial)

NYSCAR Chapter Meeting Schedule

Greater Capital:
Email Bob Gliniecki, CCIM,
SEC for details
foresiteprop@verizon.net

Hudson Valley
Meets the second Tuesday
of each month. Email Jim
Walker
jfw0432@optonline.net

Metro Long Island
E-mail Harvey Kolin for
details, harvey@hkolin.com

Rochester Area: Meets
the second Thursday of
each month. Email Kevin
Bruckner, MAI
kevin@btrca.com

So. Tier: Meets the first
Friday of each month.
Email Doug Rein,
dgrein@teamrein.com

Western NY: Meets the
third Thursday of each
month. E-mail John
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***New York State Commercial
Association of REALTORS®, Inc.***

130 Washington Avenue
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June 14-16, 2010

9th Annual

**New York State
Commercial
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