

NYSCAR *News*

Spring/Summer 2005

New York State Commercial Association of REALTORS® , Inc.

NYS Commercial Real Estate Conference exceeds all expectations!

The fourth annual New York State Commercial Real Estate Conference kicked off on June 15, 2005, at the Turning Stone Casino in Verona, New York. The conference was hosted by NYSCAR, the New York State Chapters of CCIM and SIOR and the Society of Exchange Counselors.

The program was chaired by Joseph Rowley, CB Richard Ellis, Rochester and commenced with a top-shelf marketing session attended by more than 70 commercial practitioners.

Jim Wilson, CCIM from Orlando, FL was back by popular demand to moderate the session. He did a fabulous job, as always.

The Commercial Challenge Golf Tournament teed off at 9:45 a.m. on the gorgeous Kalhuyat

course. First American Exchange Company sponsored the event.

Congratulations to the following winning teams.

First Place: Jim Carroll and Jim Kirby, Kirby, Carroll & Assoc., Tom Collins, Commercial Associates and Bruce Layman, Adirondack Business & Real Estate. Second Place: Mark Aronowitz and Steve Rosenblatt, Omni

Development, Michael J. Sampone and Peter Struzzi, Pyramid. Third Place: Robert Berkey, David Farrington, Thomas Gibbs and Brian Snow, Pyramid Brokerage.

NYSCAR, the NYS CCIM Chapter, the Upstate and Downstate Chapters of SIOR and the Society of Exchange Counselors sponsored a welcome reception at 5:30

p.m. for attendees to meet and network.

On June 16, attendees were treated to a sit-down breakfast sponsored by Pyramid Brokerage Company. After breakfast, conference participants chose from three continuing education courses.

"Comparative Lease Analysis" was presented by Steve Price, CCIM, Colorado Springs, CO. Attendees thoroughly enjoyed this session and asked for more courses on this topic.

"Environmental Risks Associated with Commercial Property Appraisals" was presented by Walter Hang, Ithaca, NY. Hang's enthusiasm and wealth of knowledge always makes him an outstanding instructor.

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A number of Commercial Challenge Golf Tournament participants pose for a picture during the Welcome Reception.



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President's Message

I hope everyone is enjoying the summer. As you can see from the cover story, we had a fantastic conference at Turning Stone. I hope you were able to take advantage of the tremendous education and networking opportunities. The conference continues to grow each year and we look forward to planning the Fifth Annual New York State Commercial Real Estate Conference in 2006!

I want to remind everyone that the CI 102 course "Market Analysis for Commercial Investment Real Estate" will be held in Syracuse, August 15-16 and 18-20, 2005. This is another great opportunity for you to take advantage of top-rated education courses. Don't delay, register today (flyer enclosed)!

In October, the Rochester area chapter of NYSCAR will hold a marketing session and several education programs (see enclosed flyer). Please mark your calendar and plan to attend. As you will see from the marketing session article on page 7, networking certainly pays off!

Registration is open for the 2005 Annual National Association of REALTORS® meeting in San Francisco, CA, October 28-31. There will be a number of exciting events, educational programs, tours and networking opportunities available for attendees. The program track for commercial members will include an economic issues and commercial business trends forum, "Tax Strategies for Real Estate In-



Steve Perfit, CCIM, SIOR

vesting" and a course for continuing education credit, which requires advance registration, titled "Real Estate Investment, the 1031 Exchange." For more information, visit www.realtor.org.

In December, the New York, New Jersey and Pennsylvania state associations of REALTORS® will sponsor the Triple Play Convention and Trade Expo in Atlantic City, NJ. There will be a commercial marketing session, as well as five additional commercial courses covering timely topics. See the enclosed brochure for course information.

The NYSCAR Annual Membership Meeting will be held on September 18, 2005 at the Courtyard Marriott Hotel in Saratoga Springs, NY. We hope to see you there!

Sincerely,

A handwritten signature in dark ink, appearing to read "Steve Perfit". The signature is fluid and cursive.

**Steve Perfit, CCIM, SIOR
President**

Commercial Committee meets in Washington, D.C.

The following is a report from the Commercial Committee meeting during NAR's Midyear Meetings in mid-May in Washington, D.C.

Commercial Real Estate Research Subcommittee Chairman Scott Johnston reported on the status of several ongoing research projects and reports including the Commercial Practitioners Survey, Commercial Real Estate Spotlight, Local Market Watch Reports, and Edgeless City Research. NAR is working to develop a commercial "leading indicator." The subcommittee will work with representatives of RLI to examine the feasibility of including "land" as a category for analysis in the quarterly *Commercial Real Estate Spotlight*. The Subcommittee will also facilitate discussions between RERC and the CCIM Institute to determine whether NAR could participate in the new *RERC/CCIM Investment Trends Quarterly Report*.

Commercial Legislation & Regulations Subcommittee Chair Mark Macek reported on the subcommittee's activities (see page 5).

Jim Hochman provided an update on the work of the License Portability and Broker Lien Law Work Groups. Kansas and Florida recently passed broker lien law bills and the work group is currently assisting several states pursuing license portability statutes. Staff demonstrated the new U.S. map posted on realtor.org that identifies the license portability and broker lien law status in each state.

The committee received reports from leaders of the five NAR commercial affiliate organizations: The CCIM Institute; the Counselors of Real Estate; the Institute of Real Estate Management; the REALTORS® Land Institute; and the Society of Office and Industrial REALTORS®.

Staff reported on the RCA's participation in the successful joint CCIM/IREM/RCA Commercial Hill Visit Day held April 20, 2005 in Washington, D.C. More than 300 commercial members met with more than 250 members of Congress to lobby on

Banks in Real Estate, REMIC legislation, Small Business Health Plans, Terrorism Risk Insurance Act extension and Tax Reform. The "Legislator of the Year" award was presented to Rep. Ken Calvert (R-CA). The committee will examine the feasibility of consolidating the commercial meetings during the NAR Midyear and Annual Business Meetings to one or two days in order to attract more commercial members. In addition, a separate Commercial Hill Visit Day will be considered for the Midyear Meetings.

James Marelli provided an update on the RCA business plan, which includes many new initiatives including the following: development of new Commercial Overlay Boards (COBs) and Commercial Structures (CSs) through the work of the new Member Development Team, "Signature Series," of regional, high-level training seminars held in partnership with local and state associations; delivery of an on-line commercial convention/trade show; devel-

opment of quarterly Technology and Information (T&I) Briefing via an audio CD to be sent to all commercial members; and development of a national CIE platform. Marelli also described the unique challenges of recruiting commercial members to NAR. A committee work group will be formed to address this problem.

Cynthia Shelton informed the committee that efforts are progressing on the RCA's goal of developing a national CIE platform. Discussions and negotiations are currently ongoing and progress is being made. The RCA has assumed a leadership role in the Open Standards Consortium for Commercial Real Estate (OSCRE) in order to facilitate the universal transmission of data necessary for operation of a national CIE platform.

RCA Advisory Board Chairman Macdonald West reported that the Advisory Board will meet once per year beginning this fall in concert with the unveiling of the national CIE platform. The

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Conference

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Steve Bushey, SEC, South Burlington, VT taught the course, "Investment Analysis: What You Need to Know to Reconstruct Your Investment Position." Attendees found this information to be extremely useful.

The REALTORS® Commercial Alliance (RCA) sponsored lunch for all attendees. Managing Director of Member Development Carol Kairis spoke to attendees about RCA and their efforts on behalf of commercial members. A new video highlighting the goals of the alliance was debuted at the luncheon.

The luncheon also featured an Economic Discussion by National SIOR 2005 President Kevin Crowley, SIOR (W. Des Moines, IA), CCIM Institute 2006 President-Elect Steven R. Price, CCIM (Colorado Springs, CO), and NY Nanotech President Lamar Hill (Albany, NY).

Two additional programs were offered in the afternoon; "1031 into Tenants-In-Common Property" by David L. Rumsey, Esq., Fairport, NY and Kelly A. Bradley, Esq., Syracuse, NY and "Using Charitable Remainder Trusts to Eliminate Gains Tax" by Jim Wilson, CCIM, SEC, EMS, Orlando, FL.

Approximately 160 attendees were present for the conference. Overall, the conference was rated as "excellent!" Attendees thought the networking opportunities were top-rate and well worth the time.

Congratulations to Michael Frame, CB Richard Ellis, Rochester, NY who was the lucky recipient of a complimentary registration for next year's conference!



Conference attendees visit exhibitor booths during the conference.



Pictured, from left, Steve Price, CCIM; Kevin Crowley, SIOR; Diana Lee; Carol Kairis; Karen L. Lewis, CCIM, SIOR; Maureen D. Wilson, CCIM, SIOR; Lamar Hill; Joe Rowley; and Steve Perfit, CCIM, SIOR.



Attendees at the education session taught by Steve Price, CCIM.

Conference

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Many thanks to the following sponsors and vendors who supported the conference and helped to make it such a great success: REALTORS® Commercial Alliance; Wilber National Bank; Pyramid Brokerage Company; First American Exchange Co.; AAC Contracting, Inc.; Asset Preservation, Inc.; Asset Tracking Systems; CB Richard Ellis/Rochester, NY; Entrust Northeast, LLC; New York Real Estate Journal; Northeast Real Estate Business Magazine; RealtyNet Advisors, Inc.; Rochester Democrat and Chronicle; Small Business Loan Source, LLC; NYSCAR; the NYS CCIM Chapter; the Upstate and Downstate Chapters of SIOR; and the Society of Exchange Counselors.

The Conference Committee put a lot of time and effort into planning this year's event. Many thanks to: NYSCAR President Steve Perfit, CCIM, SIOR; Conference Chairman Joseph Rowley; Upstate Chapter SIOR President Karen L. Lewis, CCIM, SIOR; NYS CCIM Chapter President Maureen Wilson, CCIM, SIOR; Downstate Chapter SIOR President Jack Britvan; NYSCAR First Vice President David M. Dworkin; Business Opportunities Committee Chairman Donald E. Welch, SIOR; and Downstate SIOR Chapter Vice President Jerry Norton, CCIM, SIOR. Special thanks to Bob Gliniecki, CCIM, SEC and Wayne Jensen, SEC who assisted with the marketing session and SEC program. We look forward to seeing you next year!

Meeting

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Advisory Board will provide an ideal means by which to introduce the CIE national platform, once it is complete, to the large commercial real estate firms.

Managing Director of Member Development Carol Kairis reported the results of RCA's branding survey. In general, NAR commercial members recognize and support the RCA brand and red commercial "R" logo, and believe it is important to maintain a connection to NAR. Staff will work to promote the RCA brand and encourage local COBs and CSs to include the RCA in their name.

Members were asked to sign up to participate in the following committee work groups. National CIE Platform; RCA Branding; OSCRE; Broker Lien Laws; License Portability; Commercial Capitol Hill Day; New Member Recruitment Plan; Commercial Member Development; RCA Leadership Selection; TIC Secondary Marketplace; RCA Advisory Board; and RCA Report.

The following report of the Commercial Legislation & Regulation Subcommittee was provided to the Public Policy Coordinating Committee:

1. The Commercial Legislation & Regulatory Subcommittee Chair Mark Macek presented a review on the activities of the Tenants In Common (TIC) Work Group. He touched on the following topics.

a) NAR's efforts with the SEC to clarify the role of REALTORS®

in securitized TIC transactions.

b) Activities of the work group in developing a guidance document that could be used to educate members on the TIC industry in accordance with the information item presented to the Board of Directors in Orlando.

c) The TIC work group is also recommending that NAR explore the intent of the IRS ruling pertaining to TIC 1031 exchanges.

d) The subcommittee recommends expanding the TIC work group to include members of the REALTORS® Commercial Alliance Committee and the Federal Taxation Committee.

2. NAR's Tax Counsel discussed the pertinent tax issues that may affect commercial real estate in the coming year.

a) The president's tax reform group will finish its work by the end of July. The group has not focused on industry specific concerns, but tax reform is likely to be the president's major legislative push in the coming year.

b) TICs have become a minor, yet noticeable presence on the Hill. NAR is concerned that if more lobbying is done to "protect" an industry, the more likely it will be that a "spotlight" will be shown on the issue.

c) An update was provided on the prospects for extending the 15-year leasehold depreciation provision that was enacted last year.

3. The subcommittee heard from Charles Klingman, deputy director in the Office of the Under Secretary for Domestic Finance with the Treasury Department on the USA Patriot Act and

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Meeting

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the SDN list and its impact on commercial real estate.

a) Treasury is still several months away on developing proposed regulations pertaining to professionals involved in real estate settlements and closings.

b) Treasury does not intend to impact real estate brokerage. It would like to regulate those who handle money "in the middle" of the transaction, including qualified intermediaries.

4. Staff Executive Tom

Heinemann provided a legislative update. He stressed the important role commercial members can play in helping NAR lobby for the extension of the Terrorism Risk Insurance Act. Members were asked to provide stories of how terrorism insurance coverage has impacted their business. NAR is particularly looking for instances where coverage is being dropped for 2006.

5. Jim Hochman provided an update on efforts to strengthen license portability.

Chapter Meeting Schedule



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

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.

2005

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Marketing meetings generate million dollar portfolios

Several members of the New York State Commercial Association of REALTORS® have reported success stories after attending NYSCAR sponsored marketing meetings across the state.

NYSCAR member Sharon Langdon, Millenium Commercial & Investment recently closed on a \$1,030,000 deal with Dana Barnes, Concord Equity Group, which originated at the Newburgh marketing session. It was a 13,500 square feet office building in Simsbury, CT, which was 100 percent owner occupied.

Following a marketing meeting sponsored by NYSCAR, a \$160 million portfolio was transferred to the New Jersey based firm-Capital Acquisitions, LLC.

The real estate brokerage firms of Robert Gliniecki, CCIM, SEC of Foresite Properties Commercial Associates Inc. of Albany, NY and Tom Anarumo of Century 21 Anarumo/Zoar Realty Inc. of Newburgh, NY were instrumental in bringing about the transaction.

The \$160 million portfolio consisted of 12 multi-family complexes with 2,342 multi-family units and a 412-pad mobile home park for a combined total of 2,754 units. It was owned by DCG Development Company, operated by Donald C. Greene of Clifton Park, NY.

Ginecki and Anarumo were the lead brokers in the development of the transaction. It will provide DCG Development Company with the opportunity to concentrate on the development and operation of its holdings in office and commercial properties, which include retail

and restaurants.

The New York state transaction included nine properties located in Saratoga County, two in Rensselaer County and one in Albany County. The properties located within Saratoga County were the Twin Lakes Apartments, Southview Apartments, Squire Park Apartments and Park 200 Apartments in the town of Halfmoon; London Square, Blue Spruce and Foxwood Apartments in the town of Clifton Park; Malta Gardens in the town of Malta; and Congress Place Apartments in the city of Saratoga Springs. The property located in Albany County was Crestwood Townhomes in the city of Albany. The two properties located in Rensselaer County were Vendenburgh Place and Stanton Hill in the city of Troy.

In addition to being a member

of NYSCAR, Gliniecki is a member of the ccim.net Internet and the Society of Exchange Counselors, which regularly schedules U.S. and Canadian marketing meetings throughout the year in North America. Anarumo, in addition to taking part in NYSCAR, attends meetings of the International Council of Shopping Centers (ICSC).

In addition to attending NYSCAR meetings, both firms are active in other national marketing networks.

NYSCAR and its regional chapters hold periodic marketing meetings whereby brokers representing property owners and/or buyers meet formally to offer and or acquire properties either as a purchase and sale transaction through the implementation of an IRC 1031 "exchange" transaction on behalf of their clients.

NYSCAR members broker \$4 million sale

NYSCAR Member Steve Perfit, broker-owner of Upstate Commercial Group in Kingston, NY, brokered the sale of 818 acres of farmland with an airport and facilities for up to 300 workers for \$4,000,000 in the Town of Goshen in Orange County.

The sale included 42 parcels owned by various entities including land belonging to Jim and Ray Utter, Charlie Gratz and Black Dirt Farms, Inc. The purchaser, Mararishi World Peace VEDI, is a national not-for-profit organization that will produce organically certified produce in greenhouses. All profits from the agricultural enterprise will be used to promote world peace.

NYSCAR member John Meder of Davis Chant Real Estate in Milford, PA, also cooperated in the sale.

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