

# NYSCAR *News*

**Winter 2011**

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

## **Commercial Real Estate Stabilizing, see Slight Improvement in 2011**

*Nov. 29, 2010*— Commercial real estate markets are flattening out, with modestly improving fundamentals expected in 2011, according to the NATIONAL ASSOCIATION OF REALTORS®

“The basic fundamental of rising commercial leasing demand, resulting from a steadily improving economy, means overall vacancy rates have already peaked or will soon top out,” says Lawrence Yun, NAR’s chief economist. “The outlook for the office and industrial markets has moderated with modestly declining vacancy rates expected as 2011 progresses, while the retail sector should hold fairly steady. Still, high vacancy rates imply falling rents.”

Yun anticipates a rise in household formation from an improving economy, which will increase demand for housing, both ownership and rental. “Multifamily housing is

*con’t page three*

## **Education and Marketing - Albany**



James Walker (President, Hudson Valley Chapter), Mike DeVecchio, Peter Karl, Esq., CPA, Nick DeMarte and Bob Giniiecki, CCIM, SEC (President, Greater Capital Chapter) chat during a break at the October program.

On October 28-29, NYSCAR in cooperation with the Greater Capital Chapter of NYSCAR sponsored a marketing session and 6 hour class instructed by Peter Karl, Esq., CPA (Tax Strategies, Asset Protection and Estate Planning for Commercial REALTORS®.) The program was held at the Ramada Hotel in Albany.

There were attendees from several regions of New York State as well as attendees from Massachusetts and

Connecticut! The marketing session gave everyone a great opportunity to network with a wide array of commercial practitioners. It is great to see the members taking advantage of these networking opportunities.

Many thanks to the great support from the program sponsors: Key Bank, LaBella Associates, PC, The Chazen Companies and Business and Commercial Guide.

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New York State Commercial Association of REALTORS®, Inc. 130 Washington Avenue  
Albany, New York 12210 phone: 518-463-0300 x 507 fax: 518-462-5474, [www.nyscar.org](http://www.nyscar.org)



## President's Message

### 2011 Officers

**Joseph F. Rowley, Jr.**  
**President**

CB/Richard Ellis, Rochester  
120 Corporate Woods, Suite 210  
Rochester, NY 14623  
(585) 240-8080

**Michael A. Johnson**  
**First Vice President**

Realty USA  
505 Center Street  
Lewiston, NY 14092  
(716) 754-7115

**John Lavelle**  
**Second Vice President**

R.J. Smith Realty  
55 Main St., PO Box 668  
Pine Bush, NY 12566  
(845) 744-2095

**Brian J. DiNardo**  
**Treasurer**

DiNardo Realty Corp.  
202 North Washington St.  
East Rochester, NY 14445  
(585) 235-6300

**Guy Blake, CCIM**  
**Secretary**

Pyramid Brokerage  
356 Meadow Ave., 2nd floor  
Newburgh, NY 12550  
(845) 522-5900

#### NAR Convention

I attended the National Assoc. of REALTORS' Annual Convention in November in New Orleans. The mood at the Convention was somber with a hint toward optimism (see news release on pg.1)

Recent Legislation includes the Small Business Jobs and Credit Act of 2010, allowing the US Treasury to lend up to \$30 Billion to community banks. There are notable improvements in the Programs including expanding the number of businesses eligible, raising loan limits substantially and refinance options. Check out <http://www.sba.gov/> or reach out to your local Small Business Lender for guidance.

Plenty of time was allocated to the Financial Accounting Standards Board's Proposed Lease Accounting Standards Update (Leases Topic 840) under consideration. NAR submitted a response to this Exposure Draft. More information at <http://www.fasb.org/>. These sweeping changes will impact all lease transactions if instituted. The changes will be finalized by mid-2011.

The Expo generated a lot of foot traffic from the 23,000 attendees. New Orleans has added 300 restaurants since Hurricane Katrina (2005), which is more than they had before. The French Quarter was quite vibrant, and the ware-



**Joseph F. Rowley, Jr.**

house district has filled up with Hotels. It was quite impressive.

**Member Recruitment:** Please note that we have a new Member Recruitment program in place. If you recruit a new member for 2011, you can save 20% on your NYSCAR State dues in 2012! When the new recruit fills out the 2011 application, they just need to note your name on the line that reads "referred by."

I look forward to your continued support in 2011.

My best wishes for a happy, healthy New Year!

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

## Commercial Real Estate Stabilizing... *con't from page one*

the one commercial sector that has held on relatively well in the past year, and can expect the best performance in 2011," he added.

"Apartment rents could rise by 1 to 2 percent in 2011, after having fallen in 2009 and no growth in 2010," Yun said. "This rent rise therefore could start to force up broader consumer prices as well." He noted that the housing shelter cost of primary rent, and owner's rental equivalence, is the biggest component in the Consumer Price Index, accounting for 32 percent of its total weight.

The Society of Industrial and Office REALTORS®, in its SIOR Commercial Real Estate Index, an attitudinal survey of more than 400 local market experts, shows vacancy rates are slowly improving, but rents continue to be soft with elevated levels of subleasing space on the market.

The SIOR index, measuring the impact of 10 variables, rose 1.6 percentage points to 42.6 in the third quarter, but remains well below a level of 100 that represents a balanced marketplace. This is the fourth straight quarterly improvement following almost three years of decline.

Commercial real estate development continues at stagnant levels with little investment activity, but is beginning to pick up in many parts of the country. NAR's latest Commercial Real Estate Outlook offers projections for four major

commercial sectors and analyzes quarterly data in the office, industrial, retail, and multifamily markets. Historic data were provided by CBRE Econometric Advisors. **Office Markets** Vacancy rates in the office sector, where a large volume of sublease space remains on the market, are forecast to decline from 16.7 percent in the current quarter to 16.4 percent in the fourth quarter of 2011, but with very little change during in the first half of the year. The markets with the lowest office vacancy rates currently are New York City and Honolulu, with vacancies around 9 percent. All other monitored markets have double-digit vacancy rates. Annual office rent is expected to decline 1.8 percent this year, and then slip another 1.6 percent in 2011. In 57 markets tracked, net absorption of office space, which includes the leasing of new space coming on the market as well as space in existing properties, should be a negative 3.7 million square feet this year and then a positive 16.4 million in 2011. **Industrial Markets** Industrial vacancy rates are projected to decline from 13.9 percent currently to 13.2 percent in the closing quarter of 2011. At present, the areas with the lowest industrial vacancy rates are Los Angeles, Salt Lake City, and Kansas City, with vacancies in the 8 to 10 percent range. Annual industrial rent is likely to fall 4.0 percent this year, and decline another 3.4 percent in 2011. Net absorption of industrial space in 58 markets tracked should be a negative 25.1 million square feet

this year and a positive 134 million in 2011. **Retail Markets** Retail vacancy rates are expected to change little, declining from 13.1 percent in the fourth quarter of this year to 13 percent in the fourth quarter of 2011. Markets with the lowest retail vacancy rates currently include San Francisco; Orange County, Calif.; and Honolulu, with vacancies in the 7 to 8 percent range. Average retail rent is seen to drop 3.4 percent in 2010 but largely stabilize next year, slipping 0.3 percent in 2011. Net absorption of retail space in 53 tracked markets is projected to be a negative 0.5 million square feet this year and then a positive 5.0 million in 2011. **Multifamily Markets** The apartment rental market - multifamily housing - is expected to get a boost from growth in household formation. Multifamily vacancy rates are forecast to decline from 6.4 percent in the current quarter to 5.8 percent in the fourth quarter of 2011. Areas with the lowest multifamily vacancy rates presently are San Jose, Calif.; Miami; Boston; and Portland, Ore., with vacancies in a range around 4 percent.

Average apartment rent is likely to rise 0.2 percent this year and another 1.4 percent in 2011. Multifamily net absorption should be 85,200 units in 59 tracked metro areas this year, and another 147,000 in 2011.

(  
Source: National Association of REALTORS®

## NYSCAR Education Committee



Edward S. Smith, Jr., ITI  
Chair  
NYSCAR  
Education  
Committee



Robert Giniiecki,  
CCIM,, SEC  
Vice Chair  
NYSCAR  
Education  
Committee

### Commercial Basics - Ulster Co.

Date: March 2-3, 2011  
Location: SUNY Ulster  
1 Development Court.  
Business Resource Center  
Kingston, NY 12401  
8:30 am -5:00 pm  
Instructor: Joseph Deegan,  
CCIM

This course provides a general overview of the commercial and investment real estate business. Learn to use the HP 10BII calculator to perform many of the functions that are used daily in commercial real estate. The course teaches you to analyze property operating data. You will learn the formulas and perform the calculations used in investment real estate transactions.

#### REQUIREMENTS:

HP 10BII financial calculator is MANDATORY for this class.

#### Outline:

Commercial & Investment Real Estate  
Basic Operations of a Financial Calculator  
The Value of Money

Estimating and Forecasting  
Net Operating Income  
Real Estate Cash Flow Model  
Mortgage Calculations  
Calculating the Rate of Return  
Office Building Case Study  
Services and Property Types

#### Instructor:

Joseph Deegan, CCIM

Mr. Deegan has been in the real estate business for 23 years, focusing on commercial development, rehabilitation and brokerage for the past 13 years. He earned his CCIM (Certified Commercial Investment Member) designation in 1997 - one of only 8500 people in the world to achieve such a designation in the commercial investment field.

He has served two terms as President of the Hudson Valley Chapter of the NYS Commercial Association of REALTORS®. He is the principle broker in Deegan-Sanglyn Commercial Real Estate located in Kingston, NY.

See enclosed flier to register or go to: [www.nyscar.org](http://www.nyscar.org)

## Education & Marketing

NYSCAR & the Hudson  
Valley Chapter  
April 7 - 8, 2011



Mark your calendar!

instructor:  
Peter Fortunato

## Free Educational Webinars from the REALTORS® Com- mercial 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 pre-recorded webinars 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 features a 2010 Signature Series speaker. Check back regularly - sessions are added on a monthly basis.

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



## NYSCAR Professional Standards Committee



David M. Dworkin  
Chair,  
NYSCAR  
Professional  
Standards  
Committee



Robert Strell  
Vice Chair  
NYSCAR  
Professional  
Standards  
Committee

### 2010-2011 REALTOR CODE OF ETHICS AND PROFESSIONAL STANDARDS CHANGES

Article 10 (Equal Professional Services Article Amended)

1. At the May 2010 NAR Business Meetings Article 10 of the Code of Ethics was amended as follows (underscoring indicates additions, strikeouts indicate deletions): REALTORS® shall not deny equal professional services to any person for reasons of race, color, religion, sex, handicap, familial status, ~~or~~ national origin, or sexual orientation. REALTORS® shall not be parties to any plan or agreement to discriminate against a person or persons on the basis of race, color, religion, sex, handicap, familial status, ~~or~~ national origin, or sexual orientation. REALTORS®, in their real estate employment practices, shall not discriminate against any person or persons on the basis of race, color, religion, sex, handicap, familial status, or national origin, or sexual orientation. NOTE: Amendment was approved by the NAR Delegate Body on November 8, 2010 in New Orleans. Effective January 1, 2010

Standard of Practice 10-3 amended as follows (underscoring indicates additions, strikeouts indicate deletions): REALTORS® shall not print, display or circulate any statement or advertisement with respect to selling or rent-

ing of a property that indicates any preference, limitations or discrimination based on race, color, religion, sex, handicap, familial status, ~~or~~ national origin, or sexual orientation.

2. In addition to the amended Article 10 and SOP 10-3, a new Statement of Professional Standards Policy establishing that the Case Interpretations of the Code of Ethics are official expressions of National Association policy explaining/illustrating ethical principles embodied in the Code's Articles and Standards of Practice

#### Background Information

At its March, 2010 meeting the Interpretations and Procedures Subcommittee discussed whether local and state professional standards hearing panels understand the purpose and effect of the Case Interpretations of the Code of Ethics published by the NAR Professional Standards Committee. It was suggested that, at least in some instances, the Case Interpretations are viewed as informational or advisory, but not as official expressions of NAR policy.

3. As adopted: A new Statement of Professional Standards Policy be approved reading as follows: The Case Interpretations of the Code of Ethics approved by the National Association's Professional Standards Committee and published in Interpretations of the Code of Ethics illustrate

and explain the principles articulated in the Articles and Standards of Practice. While a REALTOR® cannot be found in violation of a Standard of Practice or a Case Interpretation, both are official statements of National Association policy and are not merely advisory. Both can be cited by complainants in support of alleged violations of Articles and by hearing panels in support of decisions that an Article(s) has been violated.

4. Amendment Standard of Practice 12-15 / Disclosing names of REALTORS® firms in advertisements of listed property and/or real estate services delivered via text messages, "tweets", and other social media

#### Background Information

Article 12 of the Code of Ethics provides: REALTORS® shall be honest and truthful in their real estate communications and shall present a true picture in their advertising, marketing, and other representations. REALTORS® shall ensure that their status as real estate professionals is readily apparent in their advertising, marketing, and other representations, and that the recipients of all real estate communications are, or have been, notified that those communications are from a real estate professional.

Standard of Practice 12-5 provides: REALTORS® shall not advertise nor permit any person employed by or affiliated with them to advertise real estate services or listed property in any medium (e.g., electronically, print, radio, television, etc.) without disclosing the name of that REALTOR®'s firm in a reasonable and readily apparent manner. (Adopted 11/86, Amended 1/10) Just prior to the 2010 NAR Professional Standards Education Seminar this past August, questions were raised about how advertise-

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## 2011 Code of Ethics & Professional Standards Procedures Training

*Sponsored by the NYS Association of REALTORS®*

Gain a full understanding of ethics and arbitration hearings, enforcement procedures and disciplinary guidelines. The Code of Ethics and recent changes adopted by NAR's Board of Directors or Delegate Body will also be covered. In addition to 6 hours of CE credit, this course also satisfies NAR's mandatory ethics training requirement.

Code of Ethics & Professional Standards Classes:

January 20 Binghamton Re-  
gency 225 Water Street  
Binghamton, NY 13901

January 21 DoubleTree Hotel  
Syracuse 6301 Route 298 East  
Syracuse, NY 13057

February 14 Albany Marriott  
189 Wolf Road Albany, NY  
12205

February 16 Buffalo Marriott  
1340 Millersport Highway  
Amherst, NY 14221

February 17 Rochester  
Marriott 1890 West Ridge  
Road Rochester, NY 14615

February 28 Westchester  
Marriott 607 White Plains Road  
Tarrytown, NY 10591

March 4 High Peaks Resort  
Lake Placid, NY

For a Code of Ethics & Profes-  
sional Standards Procedures Train-  
ing registration form, please go to:  
<[https://www.nyscar.org/  
db\\_member\\_doc.php?id=83](https://www.nyscar.org/db_member_doc.php?id=83)>

## Professional Standards

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ments of real property and/or real estate services can be communicated via text messages or social media while satisfying the requirements of Article 12, as interpreted by Standard of Practice 12-5. The question was discussed at the October, 2010 meeting of the Interpretations and Procedures Subcommittee, and the Subcommittee's suggested amendments to Standard of Practice 12-5 are provided below for the Committee's consideration.

Standard of Practice 12-15 was amended as follows (underscoring indicates additions): REALTORS® shall not advertise nor permit any person employed by or affiliated with them to advertise real estate services or listed property in any medium (e.g., electronically, print, radio, television, etc.) without disclosing the name of that Professional Standards Committee REALTOR®'s firm in a reasonable and readily apparent manner. This Standard of Practice acknowledges that disclosing the name of the firm may not be practical in displays of limited information (e.g. "thumbnails", text messages, "tweets", etc.). Such displays are exempt from the disclosure requirement established in this Standard of Practice but only when linked to a display that includes all required disclosures. NOTE: THIS CHANGE IS EFFECTIVE 01 January 2011

There are two new Case Interpretations adopted this year. To view these changes, please go to [www.nyscar.org](http://www.nyscar.org)

### NAR Commercial

Check out what's new at [www.realtor.org/commercial](http://www.realtor.org/commercial) (partial listing below):

#### What's New

#### Commercial Podcast: The Year Ahead and NAR's Promise

(Dec. 28) 2011 NAR Treasurer Bill Armstrong reports on the state of the commercial market and NAR's promise to commercial practitioners for the new year.

#### Updated: Commercial Real Estate Advocacy Timeline

(Dec. 20) Learn more about the most current NAR advocacy for legislation that helps support REALTORS® and commercial issues.

#### What the Proposed Lease Accounting Rules Mean to Commercial REALTORS®

(Dec. 1) A proposed lease accounting rule could bloat the balance sheets of companies and force commercial entities to show the value of lease contracts differently, thereby affecting how they're treated in credit markets. Robert Freedman of REALTOR® Magazine talks with NAR Policy Analyst Vijay Yadlapati about the proposals potential effects.

## NYSCAR Members Earn CCIM Designation



**Harvey Kolin, CCIM**

Congratulations go out to NYSCAR Board Member Harvey Kolin, Corporate Commercial Realty (Long Island) and Franklin Valenti, Larkin Commercial, Inc. (Albany) for recently earning the CCIM designation!

The CCIM designation is awarded to commercial real estate professionals upon successful completion of a graduate-



**Franklin Valenti, CCIM**

level education curriculum and presentation of a portfolio of qualifying experience. Since 1969, the Chicago-based CCIM Institute (affiliate of the National Assoc. of REALTORS®) has conferred the Certified Commercial Investment Member designation to commercial real estate and allied professionals through an extensive curriculum of 200 classroom hours and professional experiential requirements.

## NYSCAR Chairs/Vice Chairs

**Bylaws**, John Lavelle,

jlavelle@rjsmithrealty.com

**Education**, Ed Smith, Jr., ITI,

edward.smith@cbmoves.com;

Bob Gliniecki, CCIM, SEC, (VC)

foresiteprop@verizon.net

**Finance**, Brian DiNardo,

bdinardo@dinardorealty.com

**Grievance**, Bob Gliniecki, CCIM,

SEC, foresiteprop@verizon.net

**Business Development**, Brian

DiNardo,

bdinardo@dinardorealty.com

**Legislative Committee:**

Jerry Lott, jerrylott@hotmail.com

Joe Rowley, VC,

joe.rowley@cbre.com

**Member Communications and**

**Promotions:** Alan Hendrickson,

marketas@optonline.net

Membership Development

Guy Blake, CCIM

gblake@pyramidbrokerage.com

**Professional Standards**, David M.

Dworkin, lld@frontiernet.net Bob

Strell, VC, rstrellmba@yahoo.com

**RPAC**, Michael Johnson,

mjohnson@realtyusa.com

**Standard Forms**, Bob Gliniecki,

CCIM, SEC,

foresiteprop@verizon.net

**Strategic Planning**, Joseph F.

Rowley, Jr., joe.rowley@cbre.com

**Technology**, Ed Smith, Jr., ITI,

edward.smith@cbmoves.com

John Fletcher, VC,

john@fletchercapital.com

## 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 de-  
tails, harvey@hkolin.com

Rochester Area: Meets the  
second Thursday of each  
month. Email Ted Welter,  
CCIM, CPM,  
tw@WelterRealty.com

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

Western NY: Meets the third  
Thursday of each month. E-  
mail John Fletcher,  
john@fletchercapital.com

January 29, 2011  
NYSCAR  
Board of  
Governors  
Meeting  
Desmond Hotel  
Albany, NY

March 2-3, 2011  
Commercial Basics  
Course  
Ulster Co.

April 7-8, 2011  
Education & Marketing  
Hotel Sierra  
Fishkill, New York  
*Don't Miss Out!*

**10th Annual NYS  
Commercial  
Real Estate Conference**

June 13-15, 2011  
Turning Stone Resort & Casino  
Verona, NY

Mark Your Calendar ....Don't Miss  
out on this great event!

**New York State Commercial  
Association of REALTORS®, Inc.**

130 Washington Avenue  
Albany, New York 12210-2220