Advocacy
“If you extend Tax Reform into the Q1 of 2018, I think the chance of passage could go up to 70% or more. It’s still very much up in the air. If it passes, most of the tax cut provisions and the tax repeal provisions kick in next year.” –Evan Liddiard, NAR Senior Policy Representative.

Technology
RPR® has added a 7.5 million commercial tenant data set, allowing REALTORS® working the commercial leasing side a greater set of tools in select markets.

Research
Lawrence Yun, NAR Chief Economist, predicts 2.7% GDP growth, 2.4 million jobs added, and CPI inflation at 2.5% for 2018.

Networking
“Go outside your comfort zone if you want to network more effectively. I used to be embarrassed of my accent. Then I realized people remembered me for my accent.” –Jimena Sayavedra, commercial broker at Paine/Wetzel TCN Worldwide, speaking on the “Groundbreaking Women in Commercial Real Estate” panel.

Education
The Commercial Real Estate ALERT report continues to be a hot topic among REALTORS®. Commissioned by NAR and compiled by the Swanepoel T3 research group, this evergreen resource informed multiple governance sessions and provided members with concrete takeaways.
The **COMMERCIAL COMMITTEE** agenda centered around discussion of the *Commercial Real Estate ALERT* report trends, released earlier this year. The agenda was driven by Chair Tray Bates, CCIM, CIPS, SIOR, who felt strongly engaging members and their expertise in a working discussion would be a valuable use of their volunteer time.

Vice Chair Beth Cristina, ALC, along with Jean Maday, NAR Director of Commercial Development and Services, led attendees in a set of interactive table groups divided by the eight topics featured in the report. Maday directed each table to hash out ideas for actions at the brokerage level and to explore how NAR provides support for each issue.

“Capital Markets,” “Demographics,” “Transportation,” “Crowdfunding,” and “Technology,” were among the trends discussed.

After nearly an hour of conversations, a representative from each group reported findings to the room. Especially notable was the Technology topic, where Jeff Jones of Parsippany, N.J., praised the discussion format before explaining that his group needed to “become a little more demanding” of the data ecosystem in the commercial space. He urged a stronger leadership position from NAR in the future, seeking a “common [listings] data format we can all rely on and not pay a fortune for.”

The crowdfunding table cited growth of the crowdfunding market, starting at $800 million placed in 2010 compared to $34.4 billion in 2017. Concerns related to risk rose to the top of the discussion. “How accredited are the individuals running the funds?” A distinction was noted that the JOBS Act, signed into law in 2012, did the work of separating accredited from non-accredited investors, yet was silent on accreditation of offerings. Support from national organizations was suggested: “Is this an avenue for NAR or CCIM education? Could this be the next [education track]?”

Next steps will be to forward the suggestions and ideas to the 2018 Commercial Committee to take up in continued discussions and put forth recommendations to the commercial membership at large.

Committee members also heard from Emily Line, RPR’s VP of Commercial Services, who outlined themes RPR® enables for its users – creativity, collaboration, innovation, and making data easy to consume and applicable to client business. She mentioned the recent addition of a 7.5 million commercial tenant data set, adding a new dimension to RPR® by providing users working the commercial leasing side in certain markets with a greater set of tools.
COMMERCIAL COMMITTEE

COMMERCIAL MEMBERS TALK DEMOGRAPHICS

DEEP DISCUSSION AT THE ECOMMERCE TABLE

COMMERCIAL MEMBERS TALK DEMOGRAPHICS

STAFF EXECUTIVE JEAN MADAY AND VICE CHAIR BETH CRISTINA, ALC

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The **COMMERCIAL ECONOMIC ISSUES & TRENDS FORUM** explored rationale behind largely positive commercial market projections. While commercial market fundamentals appear strong, NAR Chief Economist Lawrence Yun did caution that one key performance indicator was likely to decline in the coming year: transaction count. Market conditions, such as nervousness about rising interest rates on the buy side plus rising cap rates on the sell side, would lead to more standoffs in negotiations. “The bid and the ask price will be divergent and the transaction will just stall,” Yun said. “I think in 2018 [...] we anticipate lower transactions [...] because of the unique market circumstances.”

Yun went on to laud the efforts of NAR lobbyists for their work in preserving the 1031 exchange tax shelter, an IRS regulation that in fact has gone away for non-real-estate transactions but remains in place for the commercial real estate industry. While recent tax reform efforts on Capitol Hill are centered on tax cuts, Yun cautioned that the reform process is a long one and we are only in the first phase.

Also speaking was JLL’s Chief Economist Ryan Severino, who lauded the Class A office property as the main driver of absorption. “Class A properties are the overwhelming majority of what’s being absorbed in the U.S. these days.”

Severino went on to characterize the “Goldilocks economy”, where the fundamentals are performing correctly but growth hasn’t been high enough to warrant a regression. He focused on the office sector, naming technology companies as the central driver of demand there.

On the question of policy risks amid a weekend that saw Capitol Hill promote a tax plan with many surprising and potentially damaging proposals, Severino was clear: “I think there’s pretty good evidence that tax cuts don’t pay for themselves.”
If you didn’t attend, you missed some big discussions on tax reform, 1031s, economic outlook, and much more. The Commercial Marketplace at the Expo had more vendors and presentations than before. It was a powerful event for commercial real estate.”

KAY MICHAEL ALEXANDER, ABR, GREEN, GRI

KEY PREDICTIONS FROM YUN & SEVERINO

1 Overall deal volume likely to decline (Yun)

2 GDP +2.7%, +2.4 mil job growth, CPI inflation 2.5% (Yun)

3 Technology companies drive office growth (Severino)
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This seventeenth edition of *Principles of Real Estate Management* highlights the current changes within today’s economy and their impact on real estate management, including online marketing techniques through social media and other outlets, the impact of sustainability, as well as sound maintenance techniques to keep any property primed for occupancy. Along with covering the foundations of real estate and economics, this edition also features more in-depth information on marketing and branding with additional images and graphics throughout.

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With the first public draft of the Republican plan for tax reform having dropped hours before the meeting, the COMMERCIAL REAL ESTATE LEGISLATION & REGULATORY ADVISORY BOARD was buzzing with members eager to hear NAR’s take. 2017 Chair Michael Schoonover, ALC, GREEN, and Vice Chair K. Teya Moore, CCIM, discussed the uncertain state of 1031 Exchanges, which are not covered specifically in the plan for tax reform, highlighting the importance of RPAC in continuing to advocate for their preservation.

Featured speaker Jeff Carter, Founding Partner of West Loop Ventures, shared his perspective on commercial real estate investment trends and the future of commercial tech. Carter argued the conventional wisdom around technology as a risky investment is misguided. He feels investment in early-stage commercial real estate technology is very rewarding, claiming investors should bet on the jockey and not the horse: the people with ideas will produce the tech and “you can always change jockeys later.” (Sidebar)

Evan Liddiard, NAR Senior Policy Representative, delivered his take on the tax reform plan, noting many details will change and pointing out there were, nonetheless, larger outcomes that could manifest should the plan pass.

Two potential positive outcomes of the proposal are: a cut in the tax rate for business income including pass-through entities; immediate expensing of equipment and buildings which can be deducted the first year they are in service. Negative outcomes are: limitations on deductibility of interest expense; the possible elimination or repeal of 1031.

JEFF CARTER’S TOP 5 INVESTMENT TRENDS:

1. Software is eating the world.
2. Everything will be unbundled.
3. Network beats hierarchy > If there are a thousand guys like me then we can crush Goldman and we have.
4. Everyone is a node on a network > Everyone is an opt in node or an opt out node. I tweet and I generate content for Twitter and it creates content for me.
5. Government cannot keep up.

JEFF CARTER’S THEMES FOR FUTURE INVESTMENT:

1. BlockChain is a trust network.
2. Keeping security is critical.
4. Machines and robots with AI will proliferate.
5. AI will do tasks.
COMMERCIAL RESEARCH

“I have been traveling to this conference for the last seven years but had a completely different experience this time. We spent a good portion of the meetings diving deep into the ALERT report, analyzing technology, e-commerce, regulation, and demographic shifts and how we have to adjust the way we conduct research and sell commercial real estate. I left with a better understanding of potential industry threats and how to adjust my business to address them. My clients were very pleased with the information I brought back.”

MIKE VACHANI, ABR, CIPS

2017 COMMERCIAL REAL ESTATE RESEARCH ADVISORY BOARD Chair Mike Vachani, ABR, CIPS, started the meeting with an emphasis on the importance of members updating their NRDS member profile with the correct field of business, in order to have accurate information about NAR’s commercial membership and to capture better, more comprehensive data. Vachani lauded board members for meeting the 100% participation challenge in RPAC, noting “this is especially important as it shows commercial practitioners are in line with the rest of the membership.”

Vachani opened the floor for thoughts and feedback on any of the eight topics covered in the Commercial Real Estate ALERT report. Engaging commentary emerged on ‘Technology,’ ‘E-Commerce,’ ‘Demographics,’ and ‘Regulations.’

‘Regulations’ generated the most sustained discussion, with several members noting they can be necessary but too often overreach their intended purpose and are out of step with the current development climate. Smaller municipalities use regulations as a revenue driver but this tendency cripples community growth. In these situations, companies either opt to develop elsewhere or choose to base their projects outside of city limits. Ultimately, members see burdensome regulatory climates as an educational issue, similar to 1031 Exchanges, and think RPAC could be instrumental in communicating this message to elected officials.

2018 COMMERCIAL REAL ESTATE RESEARCH ADVISORY BOARD GOALS:

1. Explore the implications of the Commercial Real Estate ALERT report on commercial markets and members.

2. Highlight the profile of REALTORS® in international commercial investments in U.S. markets.

3. Track the performance of small cap markets in the current real estate cycle.
After observing a moment of silence in remembrance of the passing of industry veteran Wayne D’Amico, CCIM, Chair Alex Ruggieri, CCIM, CIPS, CRE, GRI, led the COMMERCIAL LEADERSHIP FORUM in an intriguing look at the commercial real estate ecosystem.

Xceligent™ VP of Marketing Sam Lewis updated the forum on reaching major offerings milestones. The New York City market has gone live on the site and Chicago is currently mid-launch, expected to finalize in May ‘18. Close to 250 company subscribers, Lewis noted, now enjoy a free national alternative to other “expensive” listing platforms.

RPR® Director of Commercial Services Nathan Graham delivered a use case scenario revealing RPR® Commercial’s newest features, including the addition of tenant records in select markets.

The session’s biggest chuckle came at a disclaimer slide presented by K.C. Conway, CRE, CCIM’s Chief Economist. Conway, having compiled a storied career in and out of government, academia, and industry, humorously assured the forum his background was at least somewhat selective: “I have not met with or spoken to any Russian authorities in advance of this presentation.”

In characterizing how REALTORS® think of commercial tenants, Conway cited the “unicorn” company as one with a $1B valuation. He took it one step further and introduced new vocabulary for describing successful tech startups with the term “decacorn”, meaning a company with a $10B valuation.

Conway was unabashedly bullish on economic recovery. “We’re celebrating one hundred months of recovery. Isn’t that incredible?” Conway asked. “I think we can go for a hundred more months.” He did, however, sound a note of caution against the current Congressional tax plan to eliminate the FDIC premium write-off for sub-$50B banks.
Featured speaker Carl Carter Jr. discussed REALTOR® safety during the PROPERTY MANAGEMENT FORUM, telling the story of his mother Beverly, who was tragically murdered. Carter Jr.’s presentation serves as a powerful reminder of the importance of property managers remaining vigilant about personal safety practices in the daily course of onsite business.

Carter Jr. brought to light several common safety errors made by property managers before sharing information about The Beverly Carter Foundation (beverlycarterfoundation.org), created to ensure that education on better safety practices is more widely available.

The meeting closed with the introduction of Deb Newell as Chair and Angie Tallant as Vice Chair for 2018.

“Carl brought the reality of what we as agents and property managers face every day viewing, inspecting, and showing vacant properties. We typically do not stop to think about what could happen. I could hear a pin drop as he described the step-by-step details of the horrific tragedy that befell his family. His poignant message was direct, real, and made all of us realize that we must pay very close attention to everything we do.”

PAUL DIZMANG, CRS, GRI

CARL CARTER JR.’S KEY SAFETY TIPS FOR PROPERTY MANAGERS:

1. Never visit a vacant property alone.
2. Allow the client to enter rooms first.
3. Communicate where you will be and how long you will be there.
4. Take advantage of existing software to run background checks on unfamiliar tenants.
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NAR expanded the COMMERCIAL MARKETPLACE in 2017, providing a more engaging space for commercial members attending the conference. NAR’s Commercial Services team and Xceligent™ anchored the space, interacting with attendees to convey benefits, share key information, answer questions, and conduct live CommercialSearch™ demos. A steady stream of members networked with exhibitors to learn about helpful products, and interacted with staff from the CCIM Institute, SIOR, IREM®, REALTORS® Land Institute, Counselors of Real Estate®, and the Certified International Property designation – discovering education and other resources.

The CommercialSearch™ Learning Theater featured nearly 30 “Learning Breaks” providing attendees with brief educational sessions on topics of interest to commercial practitioners. Other highlights included the “Tag Your 1031” Map, the 2017 National Commercial Awards honoree display, an interactive Plant Globe from CRT Labs, and Michael Bull, of America’s Commercial Real Estate Show, who interviewed thought leaders and subject matter experts live from the “Commercial Red” carpet.
COMMERCIAL MARKETPLACE

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Jean Maday, NAR, with Duke Long

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The GROUNDBREAKING WOMEN IN COMMERCIAL REAL ESTATE panel spotlighted three leading Chicago commercial practitioners. Jimena Sayavedra of Paine Wetzel, Rosemary Swierk of Direct Steel and Construction, and Ashley Donat of Bridge International, touched on the professional and the personal in equal measure.

Swierk, who runs a modular construction business, explained her personal philosophy of emphasizing service to others and how it fueled her success. “What catapulted me in the business world is waking up every day knowing that I will help someone,” she said.

Responding to a question about personal work habits, Sayavedra, an industrial property specialist, talked up business planning: “On a weekly and daily basis I choose five things I need to complete.” Her planning is scalable, so that weekly plans connect to monthly plans, and monthly to yearly.

The discussion shifted to the question of whether there was one organization the panelists would tell young women to join. Donat and Sayavedra agreed on the commercial group at their local association as a go-to for networking and education. “As a commercial practitioner, there isn’t as much education about services out there in general,” Donat said, encouraging attendees to look to NAR.

Swierk echoed that sentiment, stating the choice to join or not to join any professional organization is important to make with a strategic mindset. “We’re all stretched thin. [We should ask] how am I going to be able to contribute? Am I going to just be a member, or am I going to be able to move the needle?”

Sayavedra emphasized turning personal fear into a professional strength as something she would advise young women looking to get into commercial real estate to do. “Get out there, go exactly where your fear is, and push it. You will have fears. Go through them.”
CommissionTrac CEO Turner Levison made a lasting point about the acceleration of commercial real estate technology and the pressure the industry is under to choose effectively from a wide and bewildering array of offerings.

Putting up a slide of the classic 1985 film Back to the Future, Levison highlighted the uphill battle against time: “It’s not going to take another hundred years for technology to be drastically different from today than today’s technology is from the earliest commercial real estate technology.”

The core tech ingredients, matched with local choices about configuration and workflow, make up what Levison referred to as the “technology stack.” Individual tools in the stack provide help in enduring areas of commercial real estate: marketing, CRM, deal pipeline and inventory management, document management, and, in keeping with his own company CommissionTrac’s offering, management of commissions on transactions.

With such a long and rapidly evolving list of recipes to make a brokerage tech stack, what is the best way to tell what choices are the right ones? “Ask questions,” said Levison. No matter the pace of change, research remains the one constant in a shifting technology landscape.
MIPIM: HOW TO ATTEND THE WORLD’S LEADING PROPERTY MARKET

Several seasoned commercial practitioners joined moderator Sandra Miller, CIPS, CRS, to discuss their experiences at the MIPIM event in Cannes, France, that bills itself as the “ultimate real estate industry experience of the year.” Chris Anderson, CRS, GRI, incoming CCIM President David P. Wilson, CCIM, and incoming President of Missouri REALTORS® Nate K Johnson, ABR, CIPS, CRS, GRI, took attendees through the many considerations required to make the trip to MIPIM profitable.

Keeping a potential for business on the table is a major goal, as travel and attendance with a team comes with stiff expense. The panel offered a wealth of help in the form of hard-won experience at MIPIM. If there was a single theme to the advice, it was about preparation. MIPIM is too big and too diverse to simply “wing it”, and hiring local help with making appointments was advised repeatedly. The group agreed NAR’s U.S.A Pavilion was not only of significant direct value to members in attendance (discounted registration, refreshments and space for meetings), it also provided a significant footprint and branding message to the general attendees.

When asked what he might do differently this year, Wilson cited creating a strategic method. “Build upon the countries you are looking at for the future and try to make a methodical approach [to meeting trade delegations from all of them],” Wilson advised.

Accentuating the local economic development piece to MIPIM attendance, Johnson said “We decided to market Missouri internationally [at MIPIM]” but cited the biggest mistake made in the past as “not understanding how large the conference is. I wish I had more time to study and prepare.”

With 24,000 participants from 100 countries at the expo, the point was made that navigating the huge list of capital sources, investors, buyers, developers, and other players in the commercial property value chain requires special preparations.

Anderson put a finer point on achieving access to closed sessions: “If you can bring an elected official with you, you gain entrance to the financial events.”

“[MIPIM] is a great opportunity to visit a whole lot of countries all at once,” Wilson concluded.

Plan your trip and take advantage of the NAR U.S.A Pavilion space and registration discount at www.nar.realtor/MIPIM.

TOP THREE TIPS FOR NEW MIPIM ATTENDEES

1 Plan well in advance, including making pitch appointments.
2 For expanded access, bring along elected officials if possible.
3 Bring collateral videos promoting your area and opportunities.
POSITIONING FOR COMMERCIAL DEALS IN A GLOBAL MARKET

Carlos Fuentes, CCIM, CIPS, took the floor to talk about the facts of international life in the commercial real estate business. On a global scale, the market is active and laden with cash. Referencing NAR’s 2017 Commercial Real Estate International Business Trends report, Fuentes noted 22% of U.S. commercial members completed a lease agreement on behalf of an international client in 2016, with 20% of commercial practitioners closing on an international deal.

If that number seems surprisingly high, factor in this detail: according to Fuentes, global transactions also include recent immigrants who have lived in the US for less than 2 years.

How many of these deals used cash? A whopping 60%, says Fuentes – meaning this is one market segment that commonly moves faster than financing does and tends toward price discounts. Flexibility and efficiency are at a premium here.

No wonder, Fuentes pointed out, international investors have a whole raft of concerns other investors might not share. “Investment objectives, currency exchange rates, international tax implications, embassies, global trade expos,” are among the common touchstones.

How best to prepare for working this market? “Get NAR’s Certified International Property Specialist (CIPS) designation,” counseled Fuentes, promoting the education, networking, and marketing resources that go with it.

TIPS FOR BUILDING INTERNATIONAL CLIENTELE:

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2. Respect your clients’ culture
3. Build your global real estate team with immigration attorneys, CPAs, translators, and a currency exchange.
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This year’s COMMERCIAL CAFFEINATED NETWORKING BREAKFAST was perhaps the touchstone event for commercial attendees. Accompanying the eggs, coffee, and networking were speakers bringing thought-provoking looks at the notions of “conscious capitalism,” industry gender balance, and diversity. Sponsored in part by RE/MAX Commercial, the breakfast featured industry thought leaders Goldie B. Wolfe Miller of The Goldie Initiative and Kevin Maggiacomo of SVN International.

“We’re going to have a discussion about purpose and profit and how they go hand-in-hand,” said SVN CEO and President Kevin Maggiacomo.

He laid out the case for aggressively pursuing diversity in commercial real estate workplaces: “Any business which fails to harness the creativity of women and minorities is at a huge disadvantage,” Maggiacomo argued. “Companies that are committed to this stuff are simply more successful.”

Recalling his own family history of immigration from Italy, Maggiacomo described his great grandmother’s microloan finance service, established shortly after she arrived to assist fellow immigrants, as an example of how “purpose and profit go hand in hand”.

Maggiacomo went on to describe a change in business patterns. What used to be a cycle of “Gain, then grow, then do good,” he argued, should change to “Do good, grow, then gain.”

Chicago commercial real estate business legend Goldie B. Wolfe Miller, founder of The Goldie B. Wolfe Miller Women Leaders in Real Estate Initiative (the Goldie Initiative) at Chicago’s Roosevelt University, took the stage and issued a ringing endorsement of diversity as a goal.

“I don’t agree with men often, but everything Kevin said was right,” she said.

Long a top producer, Wolfe Miller recounted winning a sales award in her earlier days. The ceremony was held at an all-male social club where she was prevented from attending by its discriminatory rules.
“I said ‘great. As long as my check doesn’t bounce, and as long as I’m recognized, I don’t care.’”

Wolfe Miller described her realization that there was a need in commercial real estate to actively support the career advancement of women. This was the impetus for founding her Goldie Initiative (www.gbwmi.org) in 2007, because, as she put it, “No matter where you are or what you’re doing, there’s a way to grow.” Wolfe Miller’s strong commitment to cultivating professional and personal growth serves as the backbone of a program designed to provide networking, education, and career advancement support for Goldie Scholars.

In summing up her 40+ year career in commercial real estate and the $3B of transactions that go with it, a theme emerged: “I’m not a female in a profession,” Wolfe Miller explained. “In my own mindset, I’m a professional individual who excels in their business and happens to be female.”
COMMERCIAL CAFFEINATED NETWORKING BREAKFAST

KEVIN MAGGIACOMO OUTLINES THE BENEFITS OF ‘CONSCIOUS CAPITALISM’
The task of building a brokerage business that lasts is all about recruiting and fostering new talent. The ‘hows and wheres’ for the task were covered in this session, moderated by Emily Line, RPR® VP of Commercial Services, and Jean Maday, NAR Director of Commercial Real Estate Development and Services.

Jean Maday started by asking the panel with a poignant, but simple question about baby boomers aging out of commercial real estate. “How are you attracting younger professionals?”

Fred Schmidt, President and COO of Coldwell Banker Commercial, answered for his firm: “We’re finding millennials are looking for job experience. You have to create an experience for them. Not job hopping, but job experience.” CBC’s retention rate, said Schmidt, was 65 to 70 percent.

Mike Reagan, SVP Business Alliances for RE/MAX Commercial, added a point about mentoring: “For the first time in American history, four generations are working together. It creates a lot of interesting interaction [and opportunity for mentoring].” Reagan also touted his firm’s work with the University of Colorado’s Real Estate School, whose Executive Director is Mike Kercheval, a fifteen-year President of ICSC.

The rewards for building a bustling brokerage were maybe best exemplified by Schmidt, who jokingly let the room know he owned a pleasure boat. Its name? “Full of Schmidt,” he said with a smile.

**EXPERT TIPS:**

1. “Find opportunities in retail contraction trends. Notice shopping center footprints are being turned into infotainment districts.”
   — Mike Reagan, RE/MAX Commercial SVP Business Alliances

2. “Settle on a limited suite of tech tools to support your team. Our preferred brokerage software tools are ProspectNow and ClientLook.”
   — Mark Moreno, KW Commercial Director

3. “Establish a mentoring program to attract and retain younger professionals.”
   — Fred Schmidt, Coldwell Banker Commercial President and COO
The basic explanation of this emerging software technology is as simple as describing an accounting ledger or a document registry. Blockchain is at root a public software system that registers and documents transactions in real-time. Unlike a paper ledger, blockchain does this with irrevocable security, modern speed, and universal recognition. Unlike most registries, the contents of any given record can be made immediately readable.

The registry most often used by the real estate industry is the government facility dedicated to property titles – county recorders, often enough. Duke Long and panelist John Merkovic of Cook County, IL’s Recorder of Deeds spelled out the problem his office faces that blockchain could cure:

“30% of our titles are no good and title fraud is pretty rampant,” Merkovic said. Blockchain makes sense for this service because it provides a timestamped, secure record of events that occur.

If blockchain appears an alien concept, panelist Dave Conroy, NAR’s CRT Labs Research and Development Lab Engineer, pointed out the industry has been calling it “chain of title” for a very long time. Gains in transparency and efficiency are what blockchain promises, starting with where the need is greatest: high-volume county recorder offices with data quality issues.
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REALTORS® Land Institute members Ben Crosby, ALC, CCIM, Norma Nisbet, ALC, CCIM, CIPS, and Bob Turner, ALC, each told a special tale of site selection that went down to the dirt when it started but built up to the heights by the time it was completed.

Turner, a broker-owner with 25 years of experience, defined transitional land as “when internal or external conditions change the highest and best use of a land parcel from its current use to either a higher or lower value use.”

Turner took a detailed look at the remarkable suburban Memphis development named Parkside at Shelby Farms. Situated next to a conservation easement park, a former site of the county penal farm, the development is a high-density mixed-use plan that relies upon a TIF (tax increment financing) vehicle for financing the $200 million proposal.

Key to Turner’s plan is the Rails-to-Trails program, dedicated to creating a nationwide network of trails from abandoned rail lines, one of which borders the development site and leads to Memphis ten miles away.

After obtaining the land under option, Turner said, the next steps toward transition include designing the proposed layout and uses, meeting with the Planning and Zoning boards, taking feedback, filing for zoning with the Land Use Control Board, and a steady escalation up the local government chain to get to approvals and groundbreaking.
Some problems of economic development stemming from real estate require more than property transactions and transparent pricing; they require a consultative, non-transactional approach. Markets have their limits, after all. Since 1953, this has been the specialty of the Counselors of Real Estate® (CRE®), a group of real estate consultants contributing their time and expertise in service to struggling municipalities. CRE® calls this service its Consulting Corps, designing the program as a free public service to a community with deep fact-finding, following with buy/hold/sell real estate strategies that have the potential to turn around a community's economic development future.

CRE® consultants Kathleen Rose and Fredrick J. Campbell shared the stage with Rob Anderson, City Manager of Fairborn, Ohio (pop. 30,000) to discuss how his town, built in the shadow of a major Air Force base, used the Consulting Corps to turn around its fallow downtown district and reduce its commercial vacancy rate from 10 to 1.

The unique and effective Consulting Corps program lasts five days, Rose and Campbell explained, often adhering to a work format. A Sunday dinner with stakeholders launches the cycle, followed by fact-finding, site visits, data collection and analysis, team brainstorming, and finally the preparation of a briefing.

In Fairborn's case, Anderson stated, CRE®’s recommendations to leverage a local university and existing commercial anchors is what helped this blue-collar town stop fighting against its strengths and reclaim its brand.
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  (just to name a few......)

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This interactive session, moderated by Andy Velkme, CIPS, featured a panel of wide and diverse expertise on international commercial real estate transactions. Panelists included Alex Ruggieri, CCIM, CIPS, CRE, GRI, Attorneys Bill Price and Beth Trachtenberg, Erik Brejla of the Illinois Dept. of Commerce and Economic Opportunity, Stephen John, CEO of Home Services Relocation, Kelly Petrin of Moneycorp, a currency exchange firm, and James Huang, President of Sperry Commercial Global Affiliates.

Velkme and Huang role-played the beginnings of a global commercial transaction, with Huang acting as broker and Velkme in the role of CEO of a successful European technology company seeking to enter the U.S. market.

The realistic exchange exposed common details about such transactions and provided great fodder for panel discussion. Price and Trachtenberg counseled working early and methodically to structure deals in enough time to produce the greatest advantages and fewest legal roadblocks. Kelly Petrin underscored the role of timing international transactions well, emphasizing how “having someone that’s specialized in the currency is important.” Petrin also pointing out currency market fluctuations are unpredictable, often very costly, and call for careful hedging and analysis.

“Thomas Friedman got the world’s attention in “The world is Flat” by noting that we are more connected today than we ever have been in the past. I believe NAR’s global focus on real estate is not only needed but also critical to our industry. The transactions of the future will be international and commercial members need to be prepared!”

ALEX RUGGIERI, CCIM, CIPS, CRE, GRI
Yan Khamish, Managing Director at the online commercial property sales platform Ten-X, asked the big questions about commercial real estate technology: What are the components, inefficiencies, and opportunities in commercial real estate?

“The broker isn’t irreplaceable,” Khamish argued, “but brokers who adapt to technology will be indispensable to a buyer.”

In moving through a deck on Ten-X’s offerings, Khamish got at four pillars of the business in general: Engagement, understanding customer needs and providing advice, documentation, and periodic review and customer engagement.

Ten-X targets efficiency in these areas of commercial real estate. “It takes 300 days to trade an asset. In time, the process will become more efficient. Think of the financial sector: in 1970, it took a week for stock to clear, but in 1990 it took a day. Currently, it takes less than a second. The same change is coming in real estate.”

Khamish envisions a future where sales cycles stay in the 30-day range. The benefit to speeding up the investment sales process is stopping the bleeding of buyers, who walk away in significant numbers during the cycle. “We have 250K buyers who have been vetted on our platform today. They will come in [during a sales cycle using Ten-X] and we will refine the list.”

“We think you can retain 90% of business instead of losing 50% over 300 days,” said Khamish.
“Typically, the #1 spend for most companies is employees,” said Helee Lev, CRO of Goby. “The #2 is energy and this is where substantial savings can be realized.”

A NAR REach startup, Goby provides invoice automation, energy management, and sustainability reporting to property managers and owners.

Why focus on energy cost management? Dollars and cents. “Invoice automation speeds up the payment of [energy] bills,” Lev explained, describing Goby’s platform as an insertion between the utility and the landlord, enabling faster payment and reduced late fees while allowing for fine-tuning of energy use initiatives such as GRESB or Energy Star at the property or portfolio level.

“Goby gets the bill within 24 hours electronically, 100% correct,” Lev explained. “From there we can pay it, we can look at trends, we can reduce late fees.” Filtering and sorting tools also allow Goby’s large portfolios to rank buildings on top and bottom performers.

Responding to a question, Lev pointed out that Goby is ready to help all across the country, the company having already integrated with 5,000 utilities in order to receive and process power usage stats electronically.

“Some companies we’ve worked with want to shout about energy savings from the rooftop. Others want to dip a toe in the water,” Lev noted. “Either way you can’t fix what you can’t measure. That’s where we come in.”
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One sec, hiking with kids

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