THE LATEST

Stay informed on industry trends in specific property types and more by reading these informative publications from NAR’s commercial Institutes, Societies & Councils.

**SIOR REPORT**
In this issue, articles by industry experts focus on topics from the economic war on tariffs to blockchain’s impact, utilizing virtual assistants and identifying what moves to make when securing a deal.

[www.sior.com/siorreport](http://www.sior.com/siorreport)

**TERRA FIRMA**
The Summer Issue showcases articles on the industry’s hottest land topics. This edition features articles like Where Are The Opportunities in Opportunity Zones, Blockchain in Real Estate, Concerning Cannabis, Using RPR for Land Pros, and more!


**JPM MAGAZINE**
IREM® leaders prepare to build up future leaders of the industry; insights on managing relationships across a multicultural landscape; the potential impact of 5G technology on future legislation is explored; and more.

[www.irem.org/resources/jpm](http://www.irem.org/resources/jpm)

(IREM Members/Subscribers Only)
COMMERCIAL VICTORIES

A reflection on 2019, from Immediate Past President John Smaby

Commercial real estate builds communities. Every time we visit the local shopping center, office park, or coffeehouse, we depend on it. That’s why over the past year, NAR has launched several projects targeted to help you, our commercial members, boost your business and grow your bottom line.

In May we announced partnerships with two leading commercial listing platforms, Brevitas and CREXi. These platforms provide our commercial members with national exposure for commercial listings and affordable, discounted pricing. A key benefit is the integration of these platforms with NAR’s Realtors Property Resource® (RPR), providing enhanced data on properties and access to hundreds of thousands of commercial listings across the country. These additional resources and tools give you a competitive edge.

This year NAR worked to educate members on the Qualified Opportunity Zones program. Created in the 2017 Tax Cuts and Jobs Act, this program offers tax incentives to investors in real estate in underserved communities, and represents a significant opportunity for our commercial members and your clients. As the Administration works to finalize the program’s regulations, NAR has a seat at the table, and our 2019 Commercial & Business Specialties Liaison, Bob Turner of Cordova, Tenn., represented NAR at a White House event on this issue in April.

We scored a significant advocacy win with the passage of the SAFE Banking Act in the House of Representatives. Passed with bipartisan support, this bill would allow federally insured banks to work with cannabis businesses. This could bring tremendous opportunity to our commercial members, and we urge the Senate to pass the bill. NAR is also actively engaged with members of Congress on passing a long-term reauthorization of the Terrorism Risk Insurance Program, or TRIP, before it is due to expire at the end of 2020.

NAR is not complete without our commercial members. We’ve worked to integrate a commercial focus across the organization, and I believe that’s been a key factor in these accomplishments and more. Thank you for supporting NAR—our success depends on your involvement. As we move into 2020, together we’ll continue to build stronger commercial services. I am excited to see what happens next year!

We’ll continue to work to ensure that the Qualified Opportunity Zones program positions our members to lead the way in improving their communities and creating new business. Over the summer, NAR launched a toolkit for members and state and local associations to provide guidance on how to take advantage of this program. Please look for it at nar.realtor/qualified-opportunity-zones.

John Smaby
2019 President
National Association of REALTORS®
NAR SUPPORTS SAFE BANKING ACT AND TRIP REAUTHORIZATION

By Erin Stackley, Senior Commercial Legislative Policy Representative, NAR

THE SAFE BANKING ACT PASSES THE HOUSE

In September, the House passed H.R. 1595, the “Secure and Fair Enforcement (SAFE) Banking Act,” sponsored by Representatives Ed Perlmutter (D-CO) and Steve Stivers (R-OH), by a bipartisan vote of 321 - 103. This legislation creates a safe harbor for federally insured financial institutions to provide banking services to cannabis-related businesses (or businesses that work with them) in states that have legalized the substance. A companion bill, S. 1200, was introduced in the Senate earlier this year by Senators Cory Gardner (R-CO) and Jeff Merkley (D-OR).

Currently, 33 states and the District of Columbia have legalized cannabis for medicinal and/or recreational purposes, and it is estimated that the industry has already brought in more than $10 billion in sales and $1 billion in state tax revenue. However, cannabis is still illegal at the federal level, classified as a schedule-1 narcotic under the Controlled Substances Act. This disparity between state and federal law has resulted in a complicated regime for businesses operating legally within states and how they conduct their finances. FDIC-insured banks cannot accept money from cannabis-businesses, or they risk running afoul of anti-money laundering laws. This includes not just cannabis growers and retailers, but also trucking companies used for transport, rent paid for storage or retail space, and many other businesses that may touch on the industry.

The result of the prohibition against banking is that where a cannabis business does not have access to other financial institutions (e.g. local banks that are not insured by the FDIC), they must operate on a cash-only basis. This creates a safety risk for both those businesses and the communities they operate in, often necessitating expensive security measures to protect the cash. In addition, it presents a challenge for those businesses to comply with the state tax laws, with some business owners having to travel several hours to get to their nearest tax office and pay their taxes – again, in cash. Finally, it makes tracking and regulating the industry that much more difficult, without the standard forms and information collection that banking provides for regulators.

By creating a safe-harbor for financial institutions in states that have legalized cannabis to work with those businesses, the SAFE Banking Act resolves many of those issues, and also provides a venue for those businesses tangentially connected to cannabis (especially the real estate sector) to grow.

In May, at the 2019 REALTORS® Legislative Meetings and Trade Expo, NAR’s Board of Directors approved policy originating in the Commercial Federal Policy Committee supporting the rights of states and their residents to create laws aligned with their own interests, and supporting businesses that are properly registered and are legitimate by state standards to have the ability to access banking services. NAR sent a letter of support for the SAFE Banking Act to the full House of Representatives ahead of its floor vote, and will continue to advocate for a markup of S. 1200 by the Senate Banking Committee and ultimately its passage in the Senate as well.
TERRORISM INSURANCE PROGRAM REAUTHORIZATION BILL APPROVED BY HOUSE FINANCIAL SERVICES COMMITTEE

On October 31, the House Financial Services Committee marked up and passed H.R. 4634, the Terrorism Risk Insurance Program Reauthorization Act of 2019. Sponsored by Committee Chairwoman Maxine Waters (D-CA), this bipartisan bill reauthorizes the federal program for seven years (it is currently set to expire at the end of 2020). This is an important first step in reauthorizing a program crucial to the commercial real estate sector and the economy, and with more than a year left on the current reauthorization, a good sign that this can get done before the program expires.

The Terrorism Risk Insurance Program (TRIP) was first created in 2002. Following the terror attacks of September 11, 2001, many private insurers stopped offering terrorism coverage; when it was first offered, it was often prohibitively expensive. This coverage is often required by banks for commercial developments to get financing, and the result was a slowdown in the commercial real estate sector. To remedy that, and to protect the insurance industry from some of the risk, Congress created TRIP, which is a risk-sharing mechanism between the federal government and private insurers. It has a “backstop” which, when hit, triggers the federal government to step in and share in the losses in the result of a terrorist attack, which has given private insurers the confidence to get back into the terrorism risk insurance space and make coverage widely available and affordable to all types of commercial buildings around the country.

TRIP has been reauthorized three times since it was first created: in 2005, 2007, and 2015. The most recent reauthorization measure included several changes to the program to reduce the federal government’s exposure to risk, including raising the amount of insured losses required to “trigger” the program, decreasing the federal government’s share in the overall losses, and increasing the mandatory recoupment amount. H.R. 4634 does not make further structural changes to the program, but does include some new requirements, including one for a study on the risk of cyber terrorism, an emerging threat against U.S. businesses and the economy.

NAR is a strong supporter of TRIP. As a Steering Committee member of the Coalition to Insure Against Terrorism (CIAT), NAR works with other industry stakeholders to advocate in Congress for long-term reauthorization of TRIP, well-ahead of its expiration date to avoid instability in the market. Earlier this year NAR sent a statement for the record to the House Financial Services Subcommittee on National Security, International Development, and Monetary Policy and Subcommittee on Housing, Community Development and Insurance for their joint hearing on the issue, stressing the importance of TRIP for all types of commercial real estate in markets across the country. Ahead of the October markup NAR sent a letter of support to the full Committee, again urging its passage. NAR will continue to advocate for a long-term reauthorization of this crucial program as it moves through Congress.

Editor’s Note: Keep up with these and other commercial real estate issues NAR is actively involved in by visiting www.nar.realtor/commercial/advocacy. If you’re interested in being involved in helping shape NAR’s policy on issues like these, consider applying to be on a committee in 2021. See page 36 of this magazine for more details.

Do you have a comment or question about this article? Contact us at NARcommercial@realtors.org with your thoughts.
Welcome to Brevitas.

Through our recent partnership with NAR, we are thrilled to welcome all REALTORS® to Brevitas — a commercial search tool and turn-key marketing platform that integrates smart networking capabilities and coordinated deal management tools.

We are here to help you market smarter, and close faster.

At Brevitas.com/NAR, your NAR membership provides you complimentary access to our primary account features, and a 33% discount on any premium plans. Link your NAR account to start today. We look forward to working with you.

Sincerely,

Ardian Zagari
CEO, Co-Founder

BREVITAS.COM/NAR
COMMERCIAL TRANSACTIONS EXPAND MODESTLY IN Q3

By Gay Cororaton, Director of Housing and Commercial Research, NAR

Amid a slowing economy, REALTORS® reported modest activity in sales, leasing, and development according to NAR’s 2019 Q3 Commercial Real Estate Trends & Outlook Report. REALTORS® are mostly engaged in the sale, leasing, and development of properties valued at less than $2.5 million.

SALES
Total sales volume in 2019 Q3 rose at a modest pace of 3% from a year ago. Sales growth has moderated since 2017 compared to the almost 10 percent growth per year since 2012 through 2016.

By asset class, respondents reported strong sales in apartment and industrial markets. The median going-in cap rates for all property types was 6.6%, with apartment properties having the lowest median cap rate, at 5.9%, followed by industrial warehouse, at 6.5%. Retail strip centers had the highest cap rate, at 7.1%. Cap rates continue to decline, especially for apartments and industrial properties given the demand for these types of properties (falling cap rates = rising prices).

FIGURE 1

CAP RATES IN 2019 Q3

<table>
<thead>
<tr>
<th>Property Type</th>
<th>Cap Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>6.8</td>
</tr>
<tr>
<td>Industrial: Warehouse</td>
<td>6.5</td>
</tr>
<tr>
<td>Industrial: Flex</td>
<td>7.0</td>
</tr>
<tr>
<td>Retail: Strip Center</td>
<td>7.1</td>
</tr>
<tr>
<td>Retail: Mall</td>
<td>6.5</td>
</tr>
<tr>
<td>Apartment</td>
<td>5.9</td>
</tr>
<tr>
<td>Hotel / Hospitality</td>
<td>6.8</td>
</tr>
</tbody>
</table>

SOURCE: 2019 Q3 NAR CRE MARKET SURVEY FOR $2.5 MILLION OR LESS PROPERTIES

LEASING
NAR members, including those with specialized commercial designations (CCIM, CRE, CPM, ALC and SIOR) reported a modest annual gain of 2.4% in leasing volume in 2019 Q3. Vacancy rates in the small commercial real estate market continued to trend down in this quarter. The lowest median vacancy rates were in apartment and industrial properties, at 5%. REALTORS® reported high vacancy rates in retail properties, at 9%, and office properties, at 10%.

The US Census Bureau reported in 2019 Q2, that the national rental vacancy rate was 6.8%, well below the 9% rate in 2012. With low vacancy rates, rents rose on average by 3.8% in 2019 Q2 from one year ago.

FIGURE 2

MEDIAN VACANCY RATES IN 2019 Q3

<table>
<thead>
<tr>
<th>Property Type</th>
<th>Vacancy Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multifamily</td>
<td>5%</td>
</tr>
<tr>
<td>Industrial</td>
<td>5%</td>
</tr>
<tr>
<td>Retail</td>
<td>9%</td>
</tr>
<tr>
<td>Office</td>
<td>10%</td>
</tr>
</tbody>
</table>

SOURCE: 2019 Q3 NAR CRE MARKET SURVEY FOR $2.5 MILLION OR LESS PROPERTIES

In the 75 largest metro areas, 38 metros had multifamily rental vacancy rates below 7%, including California metros of San Jose-Sunnyvale (2%), Riverside-San Bernardino (3.7%), Los Angeles-Long Beach-Anaheim (4.5%), and San Francisco-Oakland (4.7%).

...CONTINUED
Construction/Development

NAR members on average reported that construction activity rose at a modest pace of 4% percent in 2019 Q3 from year ago levels. The pace of construction activity peaked in 2016 and has tapered since then.

As of August 2019, the U.S. Census Bureau reported that the seasonized annual value of construction put in place for office, lodging, and multifamily structures increased compared to one year ago, but it decreased for commercial properties (buildings for wholesale, retail, and selected service industries).

By property type, respondents reported the strongest annual increase in Class A apartment properties, Class A hotels/hospitality, Class B/C apartments, and Class A industrial warehouses. Respondents reported a decline in construction activity for retail malls.

Outlook and Opportunities

Amid concerns about an economic slowdown, 48% of respondents reported they expect business conditions to improve in the next 12 months, slightly lower when compared to 53% of respondents in the 2019 Q2 survey. Members identified several market opportunities, such as the construction of affordable housing, industrial-flex office, repurposing and rehabilitation of closed retail malls, and senior housing, among others.

Generally speaking, multi-family and industrial will continue to be strong commercial asset classes. The multi-family market is expected to remain bright in metros with low vacancy rates and affordable rents. E-commerce will continue to sustain demand for industrial properties, particularly flex properties. Retail brick and mortar will continue to do well in growing metros and in retail niches that require face-to-face customer service. The office market will be sustained by the growth in technology-driven jobs. The Opportunity Zone tax break on capital gains is expected to bolster commercial and residential real estate sales in 2019-2020.

Commercial Market Opportunities

- Affordable housing, including ADUs and micro-apartments
- Expanding small logistics
- Flex offices
- Warehouse distribution
- Rehabilitation / renovation of Class B/C buildings
- Build-to-suit for technology companies
- Re-purposing vacant retail spaces
- Senior housing
- Pedestrian and increased use of biking
- Foreign investors
- Growth in house of worships, medical, dental, food services
- Downtown revitalization
- New businesses, job growth, high population growth
- Opportunity Zones to increase ROI

Commercial Market Challenges

- High land, material, and labor cost
- Low inventory / scarcity constraining sales and leasing

Editor’s Note: To read the entire in-depth 2019 3Q Commercial Real Estate Market Trends and Outlook report, visit www.nar.realtor/research and click on “Commercial Research”. 

FIGURE 3

<table>
<thead>
<tr>
<th></th>
<th>AUG-19</th>
<th>AUG-18 %</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Multifamily</td>
<td>62,028</td>
<td>57,757</td>
<td>07%</td>
</tr>
<tr>
<td>Lodging</td>
<td>32,660</td>
<td>31,081</td>
<td>05%</td>
</tr>
<tr>
<td>Office</td>
<td>68,839</td>
<td>64,791</td>
<td>06%</td>
</tr>
<tr>
<td>Commercial</td>
<td>75,830</td>
<td>87,165</td>
<td>-13%</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau

FIGURE 4

Commercial Market Opportunities

- Affordable housing, including ADUs and micro-apartments
- Expanding small logistics
- Flex offices
- Warehouse distribution
- Rehabilitation / renovation of Class B/C buildings
- Build-to-suit for technology companies
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Editor’s Note: To read the entire in-depth 2019 3Q Commercial Real Estate Market Trends and Outlook report, visit www.nar.realtor/research and click on “Commercial Research”. 

FIGURE 4
The Counselors of Real Estate has identified the current and emerging issues expected to have the most significant impact on real estate, with U.S. infrastructure being the leading concern of the 1,100-member organization. The Counselors released its Top Ten Issues Affecting Real Estate™ during the keynote address of the National Association of Real Estate Editors’ annual conference in Austin, Texas.

“Inadequate infrastructure creates a hard ceiling to economic development, and real estate values are tied to sustainable growth,” said Julie Melander, CRE, 2019 chair of The Counselors of Real Estate. “The U.S. must invest in infrastructure to compete globally, but right now it is lagging other nations on infrastructure investment.” The report cites that roads, bridges, tunnels, railways, airports, the power grid, water systems, and levees are giving way with greater frequency. While the White House and Congressional leadership have discussed funding of up to $2 trillion, it remains unclear what action government leaders will take.

Housing in America ranked second on The Counselors’ list, with the gap widening between increasingly expensive supply and the decreasing level of ability to pay. The underlying causes can be found both on the supply side and the demand side of the housing equation. “Housing affordability is threatening the stability of the middle class, which will hit other parts of the economy as well,” said Melander. “Additionally, the new limits on the deductibility of state and local taxes are affecting both urban and suburban homeowners, while the liquidity of the housing market has been compromised by the difficulty of the Baby Boomer generation in finding buyers for the homes that represent a major portion of their net worth.”

Weather and climate-related risks rounded out the top three issues of concern for The Counselors, as real estate investors are requiring that climate risk be assessed and factored into return projections and day-to-day decisions. “Weather and climate-related risk has emerged as a new—and likely permanent—aspect of fiduciary duty and what it means to assess, disclose, and manage these risks for real estate investments,” said Melander. “Real estate investors can no longer rely on historic performance to predict future returns.” With the frequency and intensity of events increasing, the report states that weather and climate-related events present physical and operational risks for real property.

The remaining issues identified by The Counselors of Real Estate are The Technology Effect, End-of-Cycle Economics, Political Division, Capital Market Risk, Population... continued
Migration, Volatility and Confidence, and Public and Private Indebtedness, respectively. “Many of these issues are interrelated and thus influence one another,” said Melander. “Clients of Counselors seek unbiased, objective advice on the critical factors that will impact all property sectors today, as well as those issues that may affect their decisions over the next ten years. This thought leadership initiative is an invaluable service to those clients and to the real estate industry in general.”

The Top Ten Issues Affecting Real Estate™ are developed by The Counselors of Real Estate’s External Affairs Committee, with issues identified, debated, and voted on by the general membership. For additional information and perspective on each issue, visit cre.org/external-affairs/2019-20-top-ten-issues-affecting-real-estate/.
COMMERCIAL SNAPSHOTs AROUND THE WORLD

ASIA

Asia will account for more than half of the global economy by 2040. However, while money and wealth flows into Asia, the population is aging at an alarming rate. In Japan, for example, seniors will account for 20% of the entire population by 2030. Thailand’s seniors will account for 25% of the population by 2040. This has led to high demand of senior living facilities and the emergence of more healthcare REITs in Japan. In fact, according to Property Investor Today, there is great demand for retirement properties with 800,000 beds needed by 2030. Thailand faces another problem in addition to its own aging population: the foreign retiree. Applications for retirement visas doubled from 2013 to 2017, adding more demand to retirement development.

These factors are offering up numerous opportunities for developers to tap into the $123 billion market in Japan and the enormously growing Thai market. Despite this demand, it has been increasingly difficult for foreign investors to enter the markets against some of the stronger and more established Asia Pacific (APAC) developers. However, with more expats continuing to retire abroad, there may become more demand for western developments.

...CONTINUED
COMMERCIAL SNAPSHOTs AROUND THE WORLD  CONTINUED

EUROPE
Cross-border capital into student property markets around the world accounted for 40% of investment into student accommodation over the last three years and that number is expected to rise according to the Global Student Property 2019 by Knight Frank. This sector is desirable around the world, but especially so in the European markets. There are currently over 15 million students studying at 3,300 institutions across continental Europe, which represents a 7.7% increase over the past 3 years. Another key factor in growth has been the rise of international students studying in Europe, which currently stands at 2 million students annually.

With the demand in student housing on the rise, many North American companies, including Nuveen, Brookfield and Lasalle Management, have invested large sums into student housing in Europe. One common motive for student accommodation investment is its perceived countercyclical qualities. During a depression or downturn, the consumption of education increases. Provision rates, which measure specialist student accommodations compared to the overall student populations, also remain very low.

Given the expected increase of international students over the next decade, the demand for student housing is set to significantly increase in the coming years.

SOUTH AMERICA
After years of political uncertainty and shrinking economies, the outlook of South America is on the rise with projected economic growth through at least 2022. In Brazil, market conditions have created an ideal environment for new investment with interest rates in the country hitting the lowest level ever. Vacancy rates in major cities sit at 20% which is high, but a vast improvement over the recession levels that plagued the country over the past decade. Global companies from China, Korea, Canada and the US have made considerable investments looking for the economic upswing possibilities.

In Argentina, GDP grew by 3% in the second quarter compared to the same period in 2018. This quarter was a tremendous historical period for the office spaces in Bogota, according to Cushman and Wakefield. Class A office markets in the city reached only 7.6% reflecting a high demand for premium office space. With demand and rents at an all-time high, the city currently has nearly 250,000sqm under construction, of which 57% will hit the market in 2019.
However, factors such as the available area for new development and high employment numbers are looming over the market. The government is focusing on these two issues to keep the momentum they have gained over the past years and continue to build upon the investment conditions perception.

MIDDLE EAST/AFRICA
Throughout the vast continent of Africa economies continue to expand and retract quickly. The main players of years past such as South Africa and Nigeria are seeing their equal share of challenges and opportunities. Nigeria, the continent’s biggest economy, continues to grow thanks to free market reforms from the government. Meanwhile, South Africa’s economy continues to slow to its lowest point in a decade due to increased reliance on exports.

Johannesburg in South Africa is seeing a large amount of new mixed-use development with vacancy levels hovering around 10%, double the national average over the past 10 years. Meanwhile in Nigeria, Africa’s most populous nation, a housing deficit of nearly 3 million housing units requires an investment of nearly $360 billion to solve the issue.

In Dubai, the Middle East’s leader in property development, bad loans are starting to mount up and Emirati banks are beginning to prepare themselves for a property crunch. According to S&P Global, property prices have fallen 31% since their height in 2014, and are on pace to fall another 5%-10% by the end of 2019. Despite the declines, residential supply will continue to grow to 659,000 units at the end of 2021, compared to 536,000 in 2019, according to JLL.
My experience with CREXi has been by far one of the most positive, outstanding and best source of advertisement in the commercial industry. I have been a member of other platforms for many years and find that CREXi completely surpasses them in every aspect. When someone visits my listings or downloads the OM, I get confirmation. It makes it so easy to directly contact anyone who expressed interest in my properties at any given time. I could tell you I will not be renewing my subscription with the other platforms since CREXi has taken over the commercial industry.

- Lisa Giordano Callahan, Re/Max Commercial Elite (NYC)

I like CREXI because it provided details about anyone who enters the property listing. Then it becomes very easy to follow up with the person that can lead to a successful transaction more quickly! I urge everyone to give it a try!

- Paul P Partyka, CCIM, MICP NAI Realvest

“My experience with CREXi has been by far one of the most positive, outstanding and best source of advertisement in the commercial industry. I have been a member of other platforms for many years and find that CREXi completely surpasses them in every aspect. When someone visits my listings or downloads the OM, I get confirmation. It makes it so easy to directly contact anyone who expressed interest in my properties at any given time. I could tell you I will not be renewing my subscription with the other platforms since CREXi has taken over the commercial industry.”

- Lisa Giordano Callahan, Re/Max Commercial Elite (NYC)

Email Blake@crexi.com for your 35% NAR exclusive discount
Congratulations to these REALTORS® for excellence in the past year.

**CALIFORNIA**

Matthew Davis  
Cushman & Wakefield  
Greater San Diego Association of REALTORS®  
2018 RLI Top Twenty Producer APEX Award

Tom York, SIOR  
Goman & York  
Greater Hartford Association of REALTORS®  
2019 GHAR Commercial REALTOR® of the Year

Todd Renfrew, ALC  
California Outdoor Properties, Inc.  
Northern Solano County Association of REALTORS®  
2018 RLI Top Twenty Producer APEX Award

FLORIDA

Fernando Arencibia Jr, P.A.  
Arenici Properties Realty  
Miami REALTORS®  
2018 Commercial Leader of the Year

Bill Eshenbaugh, ALC, CCIM  
Eshenbaugh Land Company  
Pinellas Suncoast Association of REALTORS®  
2018 RLI Top Twenty Producer APEX Award

**CONNECTICUT**

Tom York, SIOR  
Goman & York  
Greater Hartford Association of REALTORS®  
2019 GHAR Commercial REALTOR® of the Year

**FLORIDA CONT.**

Marty Domres, ALC, GRI  
Domres Real Estate Investment, Inc  
Greater Tampa Association of REALTORS®  
RLI National Broker of the Year Residential Land Sales

Andrew Sparks, CIPS  
The Sparks Agency  
Beverly Hills Greater Los Angeles Association of REALTORS®  
2018 Commercial REALTOR® of the Year

Ben Crosby, ALC, CCIM  
Crosby & Associates, Inc  
East Polk County Association of REALTORS®  
2018 RLI Largest ALC to ALC Transaction APEX Award

Carola Lueder, CIPS  
RE/MAX Experience  
REALTORS® Association of the Palm Beach & Greater Ft. Lauderdale REALTORS® Commercial Alliance REALTOR® of the Year
FLORIDA CONT.,

Chere Roane, CCIM, GRI
Nicole & Hudson Realty, Inc.
Orlando Regional REALTORS® Association
ORRA 2018 President’s Award

William Rollins, ALC, CCIM
Land Solutions, Inc.
Royal Palm Coast REALTOR® Association
2018 RLI Top Twenty Producer
APEX Award

Ryan Sampson, ALC, CCIM
Eshenbaugh Land Company
Florida Gulf Coast Association of REALTORS®
2018 RLI Top Twenty Producer
APEX Award

Dean Saunders, ALC, CCIM
SVN Saunders Ralston Dantzler
Lakeland Association of REALTORS®
2018 RLI APEX Top National Producer
APEX Award; 2018 RLI APEX National Broker of
The Year Ag Land Sales – Ranches; 2018 RLI Top Twenty Producer
APEX Award

FLORIDA CONT.,

Steven Silverman, CCIM
Tampa Commercial Real Estate
Florida Gulf Coast Commercial Association of REALTORS®
Henry Blanton Lifetime Achievement Award

Paul White, CCIM, CPM
Keller Williams Realty Premier
Miami REALTORS®
2019 IREM Foundation Award

GEORGIA

Walter Hatchett, ALC
Jon Kohler and Associates
Tallahassee Board of REALTORS®
2018 RLI Top Twenty Producer
APEX Award

ILLINOIS

Dean Saunders, ALC, CCIM
SVN Saunders Ralston Dantzler
Lakeland Association of REALTORS®
2018 RLI APEX Top National Producer
APEX Award; 2018 RLI APEX National Broker of
The Year Ag Land Sales – Ranches; 2018 RLI Top Twenty Producer
APEX Award

John Moss, ALC
The Loranda Group, Inc
St. Charles County Association of REALTORS®
2018 RLI Largest ALC to ALC Referral APEX Award

ILLINOIS CONT.,

Kevin Rocio, SRS
ROC Realty Group @properties
Chicago Association of REALTORS®
REALTOR® Achievement Award – Commercial

Luke Worrell, ALC
Worrell Land Services, LLC
Capital Area Association of REALTORS®
RLI Land Rising Star Award

IOWA

Steve Bruere
Peoples Company
Des Moines Area Association of REALTORS®
RLI National Broker of the Year Auction Land Sales

Troy Louwagie, ALC
Hertz Real Estate Services
Cedar Rapids Area Association of REALTORS®
2018 RLI Top Twenty Producer
APEX Award
KANSAS

Dawn Truman
Reece Nichols South Central Kansas
REALTORS® of South Central Kansas
South Central Kansas MLS
President’s Award

KENTUCKY

Patrick Richardson, CCIM
Jones Lang LaSalle Americas Inc
Greater Louisville Association
of REALTORS®
2018 Kentucky Commercial Real Estate
Alliance Office Broker of the Year

LOUISIANA

Lynn Daigle, CCIM
NAI/Latter & Blum
Greater Baton Rouge Association
of REALTORS®
2018 GBRAR Commercial Investment
Division REALTOR® of the Year

LOUISIANA cont.,

Gerard Henry, SIOR
Max J. Derbes, Inc.
New Orleans Metropolitan Association
of REALTORS®
2018 Industrial Broker of the Year &
2018 Deal of the Year

MAINE

Bev Uhlenhake
Epstein Commercial Real Estate
Maine Commercial Association
of REALTORS®
2019 Maine Commercial Association
REALTOR® of the Year

MASSACHUSETTS

Justine Snyder
Fine Properties, Inc.
REALTORS® Commercial Alliance
of MA
REALTOR® of the Year

MICHIGAN

Michael Murray, CCIM
Colliers International
Commercial Alliance of REALTORS®
REALTOR® of the Year

MINNESOTA

Chuck Wingert, ALC, GRI
Wingert Realty and Land
REALTOR® Association of
Southern Minnesota
2018 RLI Top Twenty Producer
APEX Award

MISSOURI

Judy Bateman
STL Buy & Sell
St. Charles County Association
of REALTORS®
2018 Commercial REALTOR®
Recognition Award

Carl Day, CCIM
Koch Development Co.
St. Louis Association of REALTORS®
Commercial REALTOR® of the Year
MONTANA

Krista Macek
Macek Companies, Inc.
Greater Falls Association of REALTORS®
2019 REALTOR® of the Year Nominee

NEW MEXICO

Debbie Dupes, CCIM
CBRE
Commercial Association of REALTORS® New Mexico
2018 REALTOR® of the Year

NEW YORK

Mercedes Brien
Mission Commercial Realty
New York State Commercial Association of REALTORS®
Commercial REALTOR® of the Year

NORTH CAROLINA

Patrick "PJ" Doherty, CCIM
Carolina Commercial Investment
Cape Fear REALTORS®
Commercial Member of the Year

NORTH CAROLINA CONT.,

John Ruffin, CCIM
Meridian Realty
Winston-Salem Association of REALTORS®
Commercial Practitioner of the Year

STEPHEN SHOWFETY
Koury Corporation
Greensboro Regional REALTORS® Association
Stanley Frank Economic Workforce Development Award and
The Order of the Long Leaf Pin

OHIO

Akil Hameed
FASS Management & Real Estate Services
Akron Cleveland Association of REALTORS®
Building a Sense of Community in Black Business Award awarded by City of Cleveland

Corey Taber
Equity
Columbus Association of REALTORS®
2018 Columbus REALTORS® Commercial Rookie of the Year

OKLAHOMA

Patrick Coates, CCIM
Coares Commercial Properties, Inc.
Greater Tulsa Association of REALTORS®
2018 GTAR Commercial REALTOR® of the Year
OREGON

Walt Ramage
NAI Cascade
Central Oregon Association of REALTORS®
2019 Transaction of the Year Award

SOUTH CAROLINA

J. Edward Buxton, CCIM
Palmetto Commercial Properties
Charleston Trident Association of REALTORS®
2018 Commercial REALTOR® of the Year

Adam Cates, CCIM
Tradd Commercial
Coastal Carolinas Association of REALTORS®
REALTOR® Image Award - August 2019

Sammy DuBose
Coldwell Banker Commercial Caine
Greater Greenville Association of REALTORS®
2018 Caine Halter Commercial REALTOR® of the Year

TENNESSEE

Heidi Adams
NAI Koella | RM Moore
Knoxville Area Association of REALTORS®
East TN CCIM Broker of the Year & Multifamily Broker of the Year

Geoff Hurdle, ALC
Hurdle Land & Realty
Eastern Middle Tennessee Association of REALTORS®
2018 RLI APEX Wrangler Award

Tim Mashburn
Colliers Management Services, LLC.
Memphis Area Association of REALTORS®
2018 Wyatt B. Aiken Commercial Broker of the Year

Bob Turner, ALC
Southern Properties
Memphis Area Association of REALTORS®
RLI Robert C. Meeks, ALC, Distinguished Service Award

TEXAS

Andy Flack, ALC
Homeland Properties
Tall Pines Association of REALTORS®
2018 RLI Top Twenty Producer APEX Award

Kasey Mock
Keller Williams Realty
Austin Board of REALTORS®
RLI National Broker of the Year
Recreational Land Sales

William Northern
Northern Realty Group
Greater Fort Worth Association of REALTORS®
2018 Charles D. Tandy Award

Frank Roberts, ALC
RE/MAX Landmark
MetroTex Association of REALTORS®
2018 RLI Top Twenty Producer APEX Award
Sheldon Snyder, ALC
Clift Land Brokers
Dalhart Board of REALTORS®
2018 RLI Top Twenty Producer
APEX Award

Minor Taylor, ALC, CIPS
Taylor Land Investments
Houston Association of REALTORS®
2018 RLI Largest ALC to ALC Referral APEX Award

Lee Wheeler, III, CCIM
Wheeler Commercial
Beaumont Board of REALTORS®
2018 Commercial Transaction of the Year

William H. Burruss, ALC
WH Burruss III, Inc
Lynchburg Association of REALTORS®
RLI Land REALTOR® of America Award

Curt Pitzen
Newmark Knight Frank
Commercial Association of REALTORS® Wisconsin
REALTOR® of the Year

Troy Brinkley
Impera Commercial/Land Company
Hampton Roads REALTORS® Association
2018 Sales & Leasing Achievement Gold Award
MEMBER BENEFIT

SEIZING (AND SIMPLIFYING) OPPORTUNITY ZONES
WITH HELP FROM RPR AND NAR, YOU CAN GET IN THE ZONE

As a commercial practitioner, you may have heard about Opportunity Zones. It’s one of the hottest topics in commercial real estate and something that should definitely be on your radar.

Here’s the official definition: Created in 2017 as part of the Tax Cuts and Jobs Act, the purpose of the federal government’s Qualified Opportunity Zone (QOZ) program is to drive economic growth through long-term investments in economically disadvantaged communities by offering tax incentives to investors.

In plain English? Opportunity Zones are areas that are ripe for redevelopment and they offer tax breaks to savvy commercial investors. They’re also pretty easy to identify if you’re an RPR user. Using the RPR Maps feature, REALTORS® can search a geographic area to display the Opportunity Zone areas that qualify. (More details on that later...)

Although Opportunity Zones are technically easy to find in RPR, it’s the next step or two that may make them seem confusing or overwhelming. There’s plenty of IRS tax code, legal mumbo-jumbo hoops to jump through and comprehend. However, with some help from RPR and NAR, you can understand them, how they work, and use them to you and your clients’ advantage.

Which is why we’ve enlisted Bob Turner, ALC - 2019 NAR Commercial & Business Specialties Liaison, as our Opportunity Zones guide to help break down and explain how they work, where to look for them and what types of businesses are optimal examples. And why you shouldn’t be afraid of them!

KNOCK-KNOCK? IT’S OPPORTUNITY.
Bob has been researching and utilizing Opportunity Zones since their inception. He has an expert understanding of the ins and outs of the program and his experiences and examples will help you grasp how they work.

...CONTINUED
Bob’s most memorable piece of advice? To rip off the bandaid and dive right in. “The biggest hurdle may just be getting started. Keep in mind that this is simply tax law and you don’t have to ask any governmental agency for permission. As long as you abide by the investment structure requirements, benchmarks and time frames, you simply treat it like any other tax law.”

According to Bob, the first step you must take is to establish a Qualified Opportunity Fund. This is money that you are gaining from other investments or the sale of another property, similar to a 1031 Exchange. Then you need to identify the property, using RPR of course, and finally, purchase it.

It’s important to keep in mind that only “gained” money can go into an Opportunity Fund from the sale of stocks or real estate to qualify for the tax gain benefits of the Opportunity Zone. The Opportunity Fund can be used to purchase the land for the new investment to start the process. This will ultimately allow you to receive three types of long-term tax benefits: 1) deferral of gains tax, 2) reduction of gains tax, and 3) exclusion of gains on the new investment.

The Barret Oaks Apartment Complex is Bob’s most recent Opportunity Zones project. He used RPR to search for a designated OZ area, then he created his OZ Fund, and then he developed the land for use. Here are some specifics from this successful project:

- Includes 1, 2 and 3 bedroom units
- Rental rates range from $800 - $1,200
- Amenities include a water park and pool, walking trails, ponds and bike trails to the Millington Resilient Project
- Estimated costs: $26,000,000
- Investors expect a 22% IRR

Although you shouldn’t be intimidated by Opportunity Zone properties, you still have to view them as serious endeavors and stay on top of things accordingly. Bob sums this up by saying, “Development is like going to the casino, except with much more money! You can lose your tail if you don’t know what you’re doing. Land transactions and land development can be the most complicated transactions in the real estate business. Make sure you have expert tax and legal advisers on your team.”
USING RPR TO FIND YOUR QOZ

Now that you know a little more about how these investments work in the real world, let’s discuss how you can use RPR, your REALTOR® benefit, to research and analyze properties.

The most basic thing you can do is select the Opportunity Zone map layer when you are looking for properties, or wanting to see if a property you are listing is in an OZ.

If you’re unfamiliar with RPR, it is a benefit of REALTOR® membership and there is no cost for REALTORS® to create an account (www.narrpr.com). Once you log in, you have access to nationwide property data such listings, public records, economic/demographic stats and more.

OCC ZERO DEEP DIVE

Now that you know how to find and reveal Opportunity Zones in RPR, here’s some other “drill down” type of scenarios to consider:

• Are there building owners that are unaware that their property is in an Opportunity Zone? Of course, and some of those owners may be at the end of their hold periods. RPR allows you to set up your search to look for properties that haven’t sold since a specific date range.

• Keep in mind that just because a property is in an Opportunity Zone, doesn’t mean that it’s going to be a successful investment. So to help tip the scale you’ll want to understand the community as much as possible and ensure the business idea matches that area’s

BOB TURNER’S STARTER IDEAS FOR OPPORTUNITY FUNDS:

• Single Family Development
  You would need rental homes for the whole subdivision

• Cannabis/Medical Marijuana Processing Facilities
  Ensure it’s legal in your area

• Warehousing
  Great for areas where buildings are not up-to-date

• Create a Business
  You can operate a business in the OZ area

• Mobile Home Parks
  The ultimate affordable housing

• Land
  But you have to add improvements for it to qualify

How do I show the Opportunity Zone layer?

1. Log in to RPR at narrpr.com.
   - Or choose Commercial if you are on the Residential side of RPR.
2. From Search Results, Property Details and Trade Area Summary pages you’ll select Bigger Map.
3. Select Show Geographies dropdown from the Map Tools.
4. Select Opportunity Zones.
wants and needs. To do this you will want to run an RPR Custom Trade Area Report which will generate economic, demographic and tapestry segmentation data to help guide you in your due diligence.

• Finally, and probably the most important step in the process is to make sure that the project is capable of meeting or exceeding the Opportunity Fund’s investment goals. Whether you are planning to renovate a multifamily building, refurbish an old industrial space for last mile delivery, or even look at a land development opportunities, RPR’s Valuate® tool can be used to help you understand the potential returns and risks.

THE FINE PRINT OF OPPORTUNITY ZONES
Here we provide every last detail about the legalities and rules concerning Opportunity Zones, courtesy of Evan Liddiard, NAR’s Director of Federal Tax Policy and CPA.

What Are Qualified Opportunity Zones?:
• Low-income census tracts designated by the governors of all 50 states to be eligible to receive private investment through Opportunity Funds.
• A total of 8,761 Opportunity Zones have been approved by the US Treasury, and every state has some.

Three Kinds of Capital Gains Incentives:
• Deferral of capital gain on the sale of old investment, the gain on which must be rolled over into an Opportunity Fund within 180 days, until the earlier of the date the Opportunity Fund investment is sold, or December 31, 2026.
• A 10% reduction of the capital gain deferred on the old investment if the Opportunity Fund is held for at least 5 years and a 15% reduction of deferred capital gain if the Opportunity Fund is held for at least 7 years.
• Zero capital gains tax on any post-investment gains in an Opportunity Fund that is held for at least 10 years and sold before Jan. 1, 2048.

Investments in Opportunity Zones must be made via an Opportunity Fund and they must hold at least 90% of their assets in property within the Opportunity Zones. For real estate investments, properties must be “substantially improved” which means the Opportunity Fund spends at least as much to improve the property over any 30-month period as was paid for the non-land portion of the property.
CCIM UPDATE:
5 RETAIL PREDICTIONS FOR 2025

CCIM Institute Chief Economist K.C. Conway, in partnership with the Alabama Center for Real Estate at the University of Alabama, recently released the latest Commercial Real Estate Insights report entitled “Retail e-Volution: Predictions for 2025.” The report details five predictions for the future of retail real estate that debunk several primary myths behind the glut of bankruptcies and store closings in the past decade.

RETAIL PREDICTIONS

1. As Online Continues to Grow, Retail Reimagines Itself
2. More Co-Retailing Pops Up in Hospitality
3. E-Commerce Goes the Extra Last-Mile
5. Nothing Is Certain Except Death and Property Taxes

Visit www.ccim.com/insights for the full report and all others in the Commercial Real Estate Insights series.

“There are many valuable practical insights in this report. Regarding the influence of e-commerce on the industry, we might soon find ourselves replacing ‘location, location, location’ with ‘logistics, logistics, logistics.’ Those who understand this will find themselves at the forefront of a new frontier of opportunity.”

NATE WORTHEN, CCIM, SIOR
PRESIDENT, PROFESSIONAL REAL ESTATE SERVICES
IREM UPDATE:
UNDERSTANDING IMPACTS OF THE CANNABIS INDUSTRY ON PROPERTY MANAGEMENT

By Ted Thurn, Director, Government Affairs at IREM®

“The cannabis industry is here to stay.” These were the words of Tony McDonald, CEO of Surna, an indoor cultivation and agriculture business located in Boulder, CO, who spoke at the National Real Estate and Cannabis Summit in October, 2019. Cannabis industries generated $9 billion in sales in 2019, and experts forecast sales will exceed over $20 billion by 2023. Not only will sales increase, but the size of the workforce in the industry will also expand in the next few years, he said. Currently, there are 200,000 people who work in the cannabis industry. By 2023, the number of individuals working in the business will reach 500,000.

IMPACT OF MARIJUANA LEGALIZATION ON PROPERTY MANAGERS

Gustin Tubbs, Operations Consultant for MJ Freeway of Denver, CO, provided best practice recommendations for property management companies when they conduct due diligence vetting potential cannabis tenants. Because it’s such a new industry, “Right now there’s no limit to what a property owner can ask a cannabis business when assessing a potential tenant,” stressed Tubbs.

If the property is being used as a growth/cultivation facility for cannabis, property owners and managers should realize that flooding and sanitary issues will be a concern as the property is basically an indoor farm. Tubbs noted that mold, decay, and other types of growth need to be carefully monitored as heat and humidity can create unsanitary conditions. Property owners should also understand the concept of perpetual harvest, when plants are in a constant state of flowering and vegetation. If the property owner does not understand the concept, then the owner/manager bears a greater liability risk, he said.

Tubbs also addressed financial and security matters when vetting a tenant. “A good applicant should have enough financial resources to devote funds to capital expenditures, and have liquidity to cover at least 2 years of operational expenses.” Regarding security, he said it’s imperative for real estate professionals to conduct a close review of security for the property, and possibly recruit a security partner for an analysis. The property owner and applicant should also have an understanding that any liability for security breaches will fall to the tenant, and not the property owner/manager.

LEGAL CONCERNS

Mark Tschetter, Senior Managing Partner of Tschetter, Hamrick, Sulzer Law Firm of Denver, CO, started his presentation by stressing, “It’s imperative that landlords secure qualified counsel. There are no standard rules in the cannabis industry, and leases vary widely depending on the jurisdiction, parties involved, and the use of the property, whether it’s growing, manufacturing, or sales.”

Although Amendment 64 was passed in 2012 to legalize marijuana in Colorado, the law doesn’t prohibit landlords from banning its use. Since a landlord can prohibit cannabis, landlords may not need to amend the lease to ban cannabis from the property. Landlords who operate multifamily facilities have a few options when deciding if tenants can use marijuana: prohibit all and any use; only allow use for disabled tenants; no smoking, but allow use of edibles; allow full use of marijuana.

With cannabis legalized for recreational use in 11 states and the District of Columbia, and 33 states that allow marijuana for medical use, the cannabis industry is definitely here to stay.
SIOR UPDATE:

SOCIETY OF INDUSTRIAL AND OFFICE REALTORS® (SIOR) AND SIOR FOUNDATION FOCUS ON INCREASING MINORITY PARTICIPATION IN COMMERCIAL REAL ESTATE

The Society of Industrial and Office Realtors® (SIOR), the world’s leading commercial real estate association, and the SIOR Foundation, were recently proud sponsors of the 2019 NEXUS Summer Program, hosted at Cornell University in Ithaca, NY, this past July.

The program provided gifted and talented college-bound teens with the tools needed to thrive in a post-graduate environment. NEXUS Summer Programs focus on both academic and career development, along with socio-emotional development that embolden each student’s confidence in themselves. The 2019 program was the first NEXUS program tailored specifically to commercial real estate, giving volunteer members of SIOR the opportunity to coach, instruct, and mentor the students. In addition to sponsoring the program, SIOR members participated in the program, serving as coaches, judges, and instructors.

“No matter the company, organization, or industry, having a focus on diversity is a critical element for success,” said SIOR Global President Robert Thornburgh. “SIOR is always eager to help foster bright young minds and a culture of inclusion in commercial real estate. The NEXUS Program is a shining example of how SIOR is collaborating with other leading institutions to usher in the next generation of talented and diverse CRE professionals.”

With the help of industry coaches, students were divided into teams to research all aspects of the target company, and develop and deliver listing presentations. They presented their projects to a panel of judges, including some SIOR judges, in the hopes of winning the assignment.

“The mission of the SIOR Foundation is to educate and cultivate the next generation of commercial real estate professionals. The NEXUS Cornell University program represents an ideal partner for us in fulfilling that mission,” said SIOR Foundation President Aaron Barnard, SIOR. “We were thrilled to sponsor this program and look forward to connecting with the students/potential future CRE professionals even after the program.”

The winning team with volunteer judges Chichi Ahia, SIOR, Ian Grusd, SIOR, and Rich Sleasman, SIOR, as well as Dionis Rodriguez from additional partner REEC.
CRE® UPDATE:
GOING FORWARD BY GIVING BACK

How do you receive expert assessment, objective analysis, and a strategic real estate action plan at well below market rates?

For more than 20 years, The Counselors of Real Estate through its public service initiative, the CRE Consulting Corps, has been helping non-profit groups solve specific real estate challenges in communities throughout the United States. Municipalities, religious and educational institutions, government agencies, and community-based organizations have benefited from the market-driven counsel offered by CRE Consulting Corps teams.

These members of The Counselors of Real Estate volunteer their time and expertise for Consulting Corps assignments. Typically, a team of five members conducts a week-long site visit, touring the property, interviewing principals and key stakeholders, and engaging local community sources for additional perspective. Property and market data are researched and analyzed, targeted recommendations are developed, and a presentation is delivered at the end of the week. The client ultimately receives a full written report within 45 days.

A CLOSER LOOK
Agricenter International, an 1,100-acre urban farm in Memphis, Tennessee, is a non-profit dedicated to advancing knowledge and understanding of agriculture through education and research. It’s a “living laboratory” for companies to evaluate new and innovative agricultural products and services.

While it had a high-level strategic business and conceptual master plan, Agricenter requested the CRE Consulting Corps help it identify tangible action steps to implement one component of that plan—the Innovation District, a 40-acre development site that is the centerpiece of the campus’s research effort. It is where BASF Corporation undertakes cotton seed research and development. Also located on the site is Helena Agri-Enterprises, LLC, which tests chemical combinations and treatments for agricultural products used on farms throughout the United States. Agricenter officials expressed the need to create synergies and catalysts for additional community involvement and economic development on the property.

In addition to examining the area’s demographic and employment data, the CRE Consulting Corps interviewed government officials, community leaders, agricultural experts, and existing Agricenter tenants to understand the community’s desires and industry needs.

With this and other data, the team presented a set of recommendations for the highest and best use of the Innovation District’s vacant land consistent with the Agricenter International’s mission and goals, as well as provided input on likely tenants and the type of space those tenants would need. It outlined development options and offered suggestions on accessibility, infrastructure improvements, landscaping, and signage. The CRE team provided several recommendations that impact the Agricenter International campus in general and noted trends in the marketplace that could enhance its success.

Agricenter International is one of more than 50 projects completed by CRE Consulting Corps teams. If you’re aware of an organization that would benefit from CRE Consulting Corps assistance, contact Samantha DeKoven at sdekoven@cre.org or visit www.cre.org/initiatives/consulting-corps.
The Realtors® Land Institute and CCIM Institute are working together to elevate the prestige of their designees with the approval of the Accredited Land Consultant (ALC) Designation into the CCIM Fast Track criteria.

With its approval, real estate professionals who hold RLI’s elite ALC Designation can now earn the esteemed CCIM designation at an accelerated pace as a Fast Track Institute Candidate member. Given their proven expertise and experience in commercial transactions, an ALC can now earn the CCIM designation without needing to meet the traditional elective credit and portfolio requirements.

“Our organization could not be more excited to see the acceptance of our elite designation into the CCIM Fast Track. This mutually beneficial move is a great show of the credibility each designation offers to those who earn them. We truly value the partnership between our organizations and the benefit it brings to commercial real estate agents across the industry,” stated RLI CEO Aubrie Kobernus, MBA, RCE.

“The ALC Designation is a welcome addition to CCIM Institute’s Fast Track Membership program,” stated CCIM Institute CEO Gregory J. Fine, FASAE, CAE. “If an ALC is looking to expand their already impressive wealth of knowledge and experience, a CCIM designation in commercial investment real estate is the perfect complement. We look forward to sharing the good news with the RLI community.”

The CCIM designation has long been an approved certification for RLI’s ALC Designation Fast Track. As part of the ALC Fast Track, real estate professionals holding the CCIM designation can earn the ALC without needing to meet the full 104 credit hours of the education requirement. Commercial real estate professionals seeking more information about these two organizations are encouraged to visit their respective websites at riland.com or ccim.com.
In today’s commercial real estate industry, technology is rapidly changing the landscape of how building owners, tenants, and retailers interact with clients and customers. Startups are emerging on a regular basis attempting to solve an existing problem, or create new efficiencies in how buildings are managed or profit-making maximized. And many of these companies are addressing the needs of commercial brokers in helping clients find or sell properties, and provide added value to clients.

NAR recently expanded its successful REACH technology accelerator, developed by Second Century Ventures (SCV), NAR’s investment arm, to create a new Commercial track for the program. “REACH Commercial is uniquely positioned to help launch and accelerate the most promising new technology companies focused on delivering innovation at all levels of the commercial real estate eco-system,” said Tyler Thompson, Managing Partner of Second Century Ventures. “The 2019 REACH Commercial class is a remarkable lineup of solutions benefitting property investors, sellers and practitioners alike.”

Focusing on accelerating innovative solutions for all aspects of the commercial real estate industry, six companies were chosen for their potential to become future market leaders, and for the benefit they deliver to practitioners.

The companies have spent the past several months attending commercial industry events, meeting with mentors and continuing to refine and enhance their products to better serve the market. We encourage you to spend time learning more about each of these companies and their innovative products and services—we’re confident your time will be well spent and could lead you in finding your next deal, lender, or way to help a client maximize extra space.

INTERESTED IN LEARNING MORE OR GETTING INVOLVED?

NAR REACH needs members like you to help find and shape products changing the real estate industry. One way for you to get involved is to join the REACH Insight Panel. Insight Panelists receive free test accounts or special offers in exchange for providing feedback on products. Simply apply at www.narreach.com if you would like to help shape these products and impact the future of your industry. If you’re using a great product or solution that could benefit from wider adoption through our program or if you’re in search of a particular technology you can’t find in the marketplace, please let us know via email at info@narreach.com.
DEFINING THE REALTOR® DIFFERENCE FOR CONSUMERS

For more than 40 years, the iconic block R trademark has been a symbol of membership in the National Association of REALTORS® and adherence to a Code of Ethics. NAR's national ad campaign educates the public on the REALTOR® difference.

Over the past 20 years, NAR members have funded a national advertising campaign through a small annual assessment. The value of working with a REALTOR®. The campaign has always included TV, radio, and print ads and in recent years has added a robust social media presence, as well as sponsored content in targeted online media.

A NEW CAMPAIGN FOR A NEW ERA

In February 2019, NAR's advertising took a new direction with the launch of “That's Who We R,” a campaign focused on three goals:

1) Demonstrate the value of a REALTOR® to consumers by putting more meaning behind the word and the iconic R trademark.
2) Distinguish REALTORS® from non-member agents and apps.
3) Deliver and reinforce pride in being a REALTOR®.

That’s Who We R has resonated with members and consumers in an unprecedented way, and member involvement has been one of the most critical factors in its success. In 2019 it has garnered more than 2 billion impressions. While the assets include all traditional forms of advertising, including television, radio, and print ads that NAR is placing in national media outlets (Did you catch our ad in the World Series Game 6?), it also includes shareables for use by NAR members. Share them with your sphere to help spread the message: That R Stands for REALTOR®.

At That’sWhoWeR.realtor, you can pick up images, Facebook frames, pre-written posts, GIFs, videos, and more, to share on your social media channels. Other shareables include web banners, customizable assets, and videos.

...CONTINUED
CONSUMER AD CAMPAIGN CONTINUED

As a REALTOR®, here’s how you can leverage the campaign in your business:

INTEGRATE THAT’S WHO WE R IN YOUR MARKETING

• Include the That’s Who We R logo on your advertising and listing materials (get the 411 on using it correctly by reading the campaign style guide available at the website).
• Add your company branding to one of the already created print or banner ads.
• Use phone wallpapers, posters, and more.
• Shop for and display That’s Who We R merchandise, available for purchase at www.narteamstore.realtor/ThatsWhoWeRProducts

SHARE THAT’S WHO WE R ON SOCIAL MEDIA

• Brand your social media channels with That’s Who We R content, including Facebook frames, cover photos, channel art, and more.
• Integrate pre-written promotional copy, GIFs, and images into your social media feeds.
CONSUMER AD CAMPAIGN

COMMERCIAL IN THE CAMPAIGN

The campaign aims to represent the diversity of NAR’s membership, not only in the casting of various ages and ethnicities, but in representing the range of practice areas, including commercial real estate.

Some of the ways commercial real estate is being represented is through the use of commercial property imagery as well as members wearing the red REALTOR® pin in video advertisements.

WHAT’S NEXT FOR THE CAMPAIGN?

That’s Who We R will continue into 2020, with more stories about NAR’s diverse membership. Look for new campaign creative in early 2020 that further differentiates REALTORS® from non-members and from technologies such as listing apps that purport to simplify the transaction. There will also be a new ad that leans toward commercial.

Because the 2019 campaign assets have been so well-received by members, NAR is developing an app to make it easy to personalize and share campaign content on your social channels in just a couple clicks. This app was demo’d at the recent REALTORS® Conference & Expo in San Francisco to gather member feedback and make improvements and will be launched in the coming weeks.

Stay tuned to www.ThatsWhoWeR.realtor for up-to-date information about the campaign.

Do you have a comment or question about this article? Contact us at NARcommercial@realtors.org with your thoughts.
A NOTE OF THANKS

To those who make it all possible: Thank you, Committee Leadership!

In this issue, you read about the success of several programs, initiatives, and campaigns that were launched or supported by NAR. 2019 has been a tremendous year, one of dynamic change and forward motion for the commercial real estate industry. What makes it all “go” is the leadership taking place behind the scenes, by our volunteer members.

NAR greatly appreciates the hundreds of commercial members who have volunteered time and expertise this past year to serve in a national leadership and governance role. Those who serve on commercial committees, advisory boards, and forums dedicate their time to strengthen the value of NAR membership and advance the real estate industry.

Over the past year, the volunteers of these governance groups made several noteworthy accomplishments:

COMMERICAL COMMITTEE:
• Engaged in discussions to advise on enhancement to RPR Commercial
• Proactive monitoring of the new commercial listing platform partnerships.
• Identified opportunities to increase member and local association awareness of NAR’s resources on Qualified Opportunity Zones.
• Focused on how NAR is supporting local associations in how they provide commercial services with the long-term goal of improving standards and increasing membership.

COMMERICAL FEDERAL POLICY COMMITTEE:
• Passed NAR policy supporting access to financial institutions for cannabis-related businesses in states that have legalized cannabis. Subsequently, the Committee supported the SAFE Banking Act, which was passed by the House in September.
• Supported reauthorization of the Terrorism Risk Insurance Program –providing statements to the House of Representatives and Senate for hearings held on the program’s reauthorization.
• Educated members on efforts on the Qualified Opportunity Zone program. 2019 Commercial and Business Specialties Liaison Bob Turner attended a White House Opportunity Zone event in April 2019, representing NAR and communicating with Administration officials about the program and its potential for commercial real estate and affordable housing.

COMMERCIAL REAL ESTATE RESEARCH ADVISORY BOARD
• Developed a strategy to increase survey participation from members engaged in commercial real estate business.
• Disseminated NAR’s Research reports through social media and commercial affiliate partner organizations.
• Evaluated how to reduce response burden by integrating NAR and affiliate organization surveys.

YOUR VOICE MAKES A DIFFERENCE!
Lend your expertise by serving on one of NAR’s committees, advisory boards, or forums. Head to nar.realtor/national-leadership/committee-members-liaisons to learn more about the appointment and committee processes, and begin by creating or updating your expertise profile. Applications for 2021 appointments are accepted beginning March 1, 2020, through May 1, 2020.
COMMERCIAL & BUSINESS SPECIALTIES LIAISON
Bob Turner, ALC (TN)

COMMERCIAL COMMITTEE
Chair
Bill Milliken, CCIM, CIPS (MI)
Vice Chair
Mike Schoonover, ALC (WA)

COMMERCIAL FEDERAL POLICY COMMITTEE
Chair
Jared Booth, CCIM (UT)
Vice Chair
Nathan Hughes, CCIM (VA)

COMMERCIAL REAL ESTATE RESEARCH ADVISORY BOARD
Chair
G.G. Galloway (FL)
Vice Chair
Soozi Jones-Walker, CCIM, SIOR (NV)

COMMERCIAL ECONOMIC ISSUES AND TRENDS FORUM
Chair
Dan Sight, CCIM SIOR (KS)
Vice Chair
Mike Vachani, ABR, CIPS (CA)

COMMERCIAL LEADERSHIP FORUM
Chair
Agnes Rivera, CCIM, CIPS (PR)
Vice Chair
Shari Veldman, RCE (MI)

PROPERTY MANAGEMENT FORUM
Chair
Angie Tallant (AK)
Vice Chair
Malcolm Bennett, AHWD (CA)

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LISTING PLATFORMS

Since the NAR commercial listing platform partners were announced prior to the Legislative Meetings in May, Brevitas and Commercial Real Estate Exchange, inc. (CREXi) have been helping NAR members gain traction in their business by publicly showcasing commercial listings to a national audience.

Joining either of these platforms gives you a leg up on the competition by providing:

• the opportunity to search and list properties to a nationwide audience, amplifying your existing marketing efforts to a wider consumer base.

• knowledge and reassurance that you own your own data as long as you are a customer of the platform.

• the best pricing for NAR members, giving an exclusive discount on their pricing structure for their listing platform service.

Brevitas, based out of San Francisco, California, offers NAR members a 33% discount and single sign-on access, using NAR credentials. Since May, the platform has seen 4,300 NAR members add their listings to Brevitas with 5,300 requests made on those listings. They have integrated with three large MLSs in Miami, Alaska and Texas and are working on more to be launched by the end of 2019. This means no double entry listings, all syndicated, with the added benefit of a nationwide audience viewing these properties.
CREXi, based out of Marina Del Ray, California, offers a 35% discount to NAR members on their PRO service, which attracts six times as many leads and three times as many offers as non-PRO members. The CREXi platform has grown rapidly since its launch in 2016 and offers a combination of an active sales and leasing marketplace with marketing, analytics and deal management tools. These tools are designed to help you and your clients eliminate time-consuming processes, find properties, and close deals faster. Join the thousands of members who are part of CREXi’s $600 billion in property listed and more than $100 billion in property closed.

Whether you’re one of the thousands of members who have already signed onto their services or just exploring the benefits for the first time, these platforms are in position to help your listings become exposed to a wider set of potential buyers with their easy access, premiere services and RPR integration.

Both Brevitas and CREXi went live this summer with Realtor Property Resource® (RPR®) integrated in their platforms, providing a more comprehensive experience with the ability to view active listings augmented with public record details.

Since both integrations have gone live, it is even easier to move seamlessly between the RPR® and listing platforms, pull demographic information for the area your listing is in, and – new this year – add an opportunity zone filter to your customized report! The RPR® integration is an incredible opportunity to streamline, manage and grow your business with these listing platforms.

NAR partnered with these platforms in order to enhance your marketing efforts and to provide an enhanced commercial real estate service to our members. Find out more at nar.realtor/commercialtools.

Do you have a comment or question about this article? Contact us at NARcommercial@realtors.org with your thoughts.
Earlier this year, NAR signed partnership agreements with two national commercial listing platforms. We asked members using these platforms to share their perspective on the value and how they’ve benefitted. Here’s what some of your commercial colleagues said:

**BREVITAS**

“I have been using Brevitas for about three years now and am very impressed with their growth and improvements. Their partnership with the National Association of REALTORS® is a game changer. Brevitas’ unique features like posting wants and posting properties for sale privately sets it apart from other CRE sites. Their customer service and response time to online chats is unparalleled. Brevitas has helped me grow my business tremendously and with my recent upgrade I can’t wait to see where it takes me. I recommend Brevitas to anyone that is serious about their CRE career and is looking to take their business to the next level.”

**FRANK CASACCIA**
FKC, Florida

“After years at Keller Williams, Sperry Van Ness, Newmark-Knight Frank, and now at my own company, we know that we owe a fiduciary duty to our clients to make sure every possible buyer sees anything we sell publicly, and we take it seriously. In today’s market if your listing broker is not utilizing Brevitas to ensure every potential buyer sees your listing, it’s a significant oversight.”

**JUDD DUNNING**
The Dunning Group, Florida
“CREXi not only makes listing my properties easy, but they have created such a large following that they continually produce more activity and outperform other listing services I currently use. I look forward to the unique features and capabilities they will bring to market in the future.”

**CHRIS ROBERTSON**
Newmark Knight Frank

“My experience with CREXi has been by far one of the most positive, outstanding and best source of advertisement in the commercial industry. I have been a member of other platforms for many years and find that CREXi completely surpasses them in every aspect. When someone visits my listings or downloads the OM, I get confirmation. It makes it so easy to directly contact anyone who expressed interest in my properties at any given time. I could tell you I will not be renewing my subscription with the other platforms since CREXi has taken over the commercial industry.”

**LISA GIORDANO CALLAHAN**
RE/MAX Commercial Elite, New York

“As an independent commercial broker, CREXi has put us at a level to compete and be successful with any company large or small.”

**JOE PELAYO CCIM, CCIM, CIPS, SIOR**
Total Real Estate Consultants, Florida

“I really like being a PRO member. I use CREXi’s platform to market and sell my commercial properties and it has generated many new prospective clients.”

**CYNTHIA SHELTON, CCIM, CRE**
Florida
Wow Moment #11

Helping your clients locate the perfect building in a Qualified Opportunity Zone which exceeds their investment goals.

Log in to RPR today! narrpr.com