Real Estate Facts Column

**Commercial Market Improves; Realtors® Continue to Advocate for Financing**

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***(426 Words)***

Since the economic depression the commercial real estate market has struggled to regain its grounding. However, recent data indicate the market is starting to show signs of improvement and commercial practitioners are regaining confidence.

According to the National Association of Realtors®’ *2013 Commercial Member Profile*, annual income, transactions, and sales volume have all increased over the past year for commercial members. Realtors® who practice commercial real estate reported a median annual gross income of over $90,000 in 2012. This is the highest level since 2008 and is over $4,000 more than in 2011.

“We are beginning to see small signs of improvement within in the commercial market,” said **[full name of your local spokesperson]**. “These positive trends in income, transactions and sales volume can only mean the market is beginning to turn around. Commercial real estate is the basis for much of the growth in the American industry and economy. When the market improves it will benefit our overall economy.”

NAR’s chief economist, Lawrence Yun recently weighed in on commercial market conditions pointing out that vacancy rates are modestly falling and rents are moderately rising nationwide. **[Insert information/data on your local commercial market if applicable.]**

“Overall the commercial sectors nationwide are firming up nicely with the multi-family sector continuing to perform the best,” said **[last name of your local spokesperson]**. “However, financing still remains a challenge for buyers, especially those purchasing smaller properties.”

According to NAR’s *Commercial Real Estate 2013 Lending Survey*, Realtors® reported a significant disadvantage when it came to financing for buyers of properties under $2 million, which makes up 85 percent of Realtors®’ clients in the commercial sector. These small business are typically financed by private investors or local and regional banks. Fifty-two percent of commercial members reported they had commercial transactions fail in the past year due to a lack of financing.

**[Full name of your association]** said recently proposed legislative and regulatory initiatives, as well as the regulatory uncertainty of financial institutions are accounting for the lack of capital in commercial lending for smaller properties. **[Abbreviation of your association]** along with NAR believe in protecting and enhancing the flow of capital to commercial real estate.

“With more liquidity in the market, conditions would certainly improve,” said **[last name of your local spokesperson]**. “Realtors® build communities and those who practice commercial real estate help revitalize those communities. They facilitate investment and promote the sale and lease of commercial space, which supports millions of jobs nationwide. It’s imperative that we continue to advocate for enhancing the flow of capital to commercial real estate.”