

NYSCAR *News*

Spring 2007

New York State Commercial Association of REALTORS®, Inc.

NYSCAR honors Joe Rowley as its 2006 REALTOR® of year

Joseph F. Rowley, Jr., a vice president with CB Richard Ellis/Rochester, NY LLC, second vice president of NYSCAR, and the son of Dr. and Mrs. Joseph Rowley, was named the 2006 REALTOR® of the Year by the New York State Commercial Association of REALTORS® on January 31, 2007 during a Board of Governors' meeting in Fayetteville, New York.

Criteria for the award includes NYSCAR association activity, state association activity, business accomplishments, National Association of REALTORS® activity and civic activity.

Rowley has served as chairman of the New

York State Commercial Real Estate Conference, which is the premier networking event of the year, sponsored by the NYS Commercial Association of REALTORS®, the state chapters of CCIM and SIOR and the Society of Exchange Counselors. He also chairs the Chapter Presidents Committee and Member Development Committees of NYSCAR. Also active with the New York State Association of REALTORS®, Rowley serves on the Legislative Steering Committee, Organization Planning Committee, Commercial Issues Working Group and Commission Protection Working Group. He has also attended the National Association of REALTORS® meetings.



President David Dworkin, left, and past President Steve Perfit congratulate Joe Rowley on being NYSCAR 2006 REALTOR® of the Year.

An active member of the Rochester Area Chapter of NYSCAR, he was awarded their 2002 Commercial REALTOR® of the Year Award.

He joined CB Richard Ellis/Rochester team

in July 2001 bringing with him over 20 years of experience in the commercial real estate industry. Since joining CB Richard Ellis, he has generated more than \$60 million in sale and lease transactions.



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President's Message

The NYSCAR Board of Governors met on January 31, at the Craftsman Inn in Fayetteville, NY. The officers and governors were installed as follows:

- President, David M. Dworkin (LLD Enterprises), Rochester.
- First Vice President, Maureen Wilson, CCIM, SIOR (Pyramid Brokerage), Binghamton.
- Second Vice President, Joseph F. Rowley, (CB Richard Ellis/Rochester), Rochester.
- Secretary, Donald E. Welch, SIOR (DEW Real Estate), Albany.
- Treasurer, Michael A. Johnson (Realty USA), Buffalo.

The following individuals were sworn in as governors: Kristin Badger-Bach, (Western NY Chapter president); Guy Blake, CCIM, Kingston; A. Gordon Furlani, Albany; Robert Giniecki, CCIM, SEC, Albany; John Lavelle (Hudson Valley Chapter president); Walter Lotz, CCIM (NYS CCIM Chapter president) and Doug Rein (Southern Tier Chapter president).

The meeting was very productive and was a great opportunity for the chapter presidents to exchange ideas for programs that work for their particular area.

Congratulations to NYSCAR Governor Max Wm. Gurvitch (Brooklyn). On February 6, 2007,



David M. Dworkin

he was installed as the 2007 President of the New York State Association of REALTORS® during the association's business meetings.

Plans are well under way for the Sixth Annual New York State Commercial Real Estate Conference to be held June 11-13, 2007 at the Turning Stone Resort and Conference Center in Verona, NY (see page 6). You will be receiving the brochure to register for this premier networking event!

Please be sure to look at the dates on page 7 of the newsletter for additional events that you may be interested in, such as the NAR mid-year meetings and NYSAR's Lobby Day in Albany.

I look forward to seeing you at upcoming events.

Sincerely,

A handwritten signature in dark ink that reads "David M. Dworkin". The signature is stylized with a large, looped "D" and a cursive "M".

David M. Dworkin
President

Dworkin sworn in as president

David M. Dworkin of LLD Enterprises in Rochester was sworn in as NYSCAR's 2007 president during the Board of Governors meeting in Fayetteville on January 31. It is his second term in the post.

LLD Enterprises is a commercial real estate brokerage, management and development company, which owns, develops and manages a diverse portfolio of properties in Maryland, New York,

Pennsylvania and Florida.

Dworkin is licensed in New York state as a real estate broker and in New Jersey as a licensed sales agent. He earned his Bachelor of Arts degree from Syracuse University and his Masters of Science degree from the Real Estate Institute at New York University.

He is a member of the NAR REALTORS® Commercial Alliance Com-

mittee and also the International Council of Shopping Centers.

Most recently Dworkin was appointed to a two-year term on the 15-member New York State Board of Real Estate by Senate Minority Leader David Patterson. With the exception of matters delegated specifically to the secretary of state, the board has general authority to promulgate rules and regulations

affecting real estate brokers and salespersons in order to administer and effectuate the purposes of Article 12-A of the Real Property Law.

Active in his community, some of his services includes serving as a former chairman of the John F. Wegman Foundation and a former co-chair of both the Nominating Committee and Young Leaders Club of the United Way of Greater Rochester.

NYSCAR WNY Chapter holds awards dinner

The Western New York Chapter of the New York State Commercial Association of REALTORS® (WNY NYSCAR) held its Sixth Annual Awards Dinner and swearing in ceremony for the 2007 Board of Directors on Thursday, Feb. 8, 2007. Held again this year at the Buffalo Chophouse downtown, the event sold out with more than 150 attendees.

The Western New York Chapter award for the largest sale transaction of 2006 was presented to commercial broker Robert Starzynski of CB Richard Ellis, for his participation in the portfolio sale of 18 apart-

ment complexes from Home Properties REIT valued at \$252 million.

The largest lease transaction was awarded to Larry Brassel of Brassel Commercial Real Estate, for the 10-year lease of 162,000 square feet at 3366 Walden Avenue.

Other award recipients included Thomas Kucharski, president and chief operating officer of Buffalo Niagara Enterprise for the Meritorious Service Award and both Sheldon Berlow and Aruthur Judelsohn, formerly of Berlow Real Estate and now with Pyramid Brokerage Company, for the Lifetime

Achievement Award.

A special award was given this year to George Hamberger, recently of Hunt Commercial Real Estate and now with Realty USA, for the sale of the Statler Towers Building consisting of almost one million square feet of space.

NYSCAR would like to thank Chairmen Alan Hastings, of Hastings Cohn Real Estate and Nicholas J. Malagisi, of Sperry Van Ness/Storage Realty for organizing the event for the last six years. NYSCAR would also like to thank Colleen Brennan, of Keller-Wil-



WNY Chapter Awards Dinner co-chairs Alan Hastings and Nick Malagisi enjoy a light moment during the dinner.

liams Realty and Larry Brassel, of Brassel Commercial Real Estate who made up the committee for this year's event, which has now become the premier event for the commercial brokerage community of Greater Buffalo Niagara region.

NAR: Commerical vacancies rising modestly

As some tenants move to newly built locations, commercial real estate vacancies are rising modestly, following a record year for investment activity, according to the latest NAR *Commercial Real Estate Outlook*.

David Lereah, NAR's chief economist, said an irony in today's commercial real estate market is that some flush tenants are contributing to rising vacancies. "Job growth has been fueling the demand for space, notably in the office sector," he said. "Even so, some tenants are not 'back filling' vacated space as they move to higher quality new space, contributing to a modest gain in vacancy rates. Office, hotel and industrial properties continue to be the most sought after com-

mercial sectors for investment."

Outside of the hospitality sector, investors channeled a record \$306.8 billion to commercial real estate in 2006, up from \$276.0 billion in 2005; that total does not include transactions valued at less than \$5 million. An additional \$35.3 billion was invested in the hotel sector; however, long-term historic comparisons are not available for the hospitality market.

Cindy Chandler of Charlotte, N.C., chair of the REALTORS® Commercial Alliance, said the record investment in commercial real estate was based on sound fundamentals. "Investors poured funds into commercial real estate at unprecedented levels in 2006,

underscoring the value of portfolio diversification into real property," she said. "In general, we see rental rates rising with fairly broad consistency across most market areas."

Most of the new commercial space has been build-to-suit, or with significant pre-leasing in place. The expanding new supply will modestly raise office and industrial vacancies through the end of the year.

The NAR forecast for five major commercial sectors includes analysis of quarterly data for various traced metro areas. The sectors include the office, industrial, retail, multifamily and hospitality markets. Metro data were provided by Torto Wheaton Research and Real Capital Analytics.

Office market

A flight to quality office space, notably in new buildings, will raise vacancy rates in older class B and class C buildings. In addition, employers are using space more efficiently through telecommuting and "office hotelling." Speculative new construction is being held in-check.

Office vacancies are expected to rise to an average of 13.9 percent by the end of the year from 12.6 percent in the fourth quarter of 2006. Annual rent growth in the office sector is forecast at 3.2 percent in 2007, following a 5.2 percent gain last year.

Estimates for the first quarter show areas with the lowest office vacancies include New York City; Seattle; Honolulu; Orange County, Calif.; Washington, D.C.,

Society of Exchange Counselors honors Giniecki

During the Society of Exchange Counselors (SEC) Annual Meeting held in San Antonio, TX in January, Bob Giniecki, SEC, CCIM, member of NYSCAR Capital Region, was presented with the "Counselor of the Year Award" for the year of 2006, the most prestigious award to be presented.

This award is given to a member of the society in recognition of significant contributions made to the commercial-investment creative real estate field. He has served as co-chair of the Regional Directors Committee of the society, which consists of the regional directors of the seven regions encompassing the United States, Canada and Mexico.

In addition, he has served on the Education Committee of the society and has taught numerous creative commercial-investment courses. The award was presented by H. Jim Crowley, SEC, CCIM of Bellaire, TX, the previous recipient.

and Miami, all with vacancy rates of 9.7 percent or less.

Net Absorption of office space in 56 markets tracked, which includes the leasing of new space coming on the market as well as space in existing properties, is projected to be 21.9 million square feet this year, down from 76.2 million in 2006.

Office building transaction volume set a record of \$133.6 billion trading hands last year, up 32 percent from 2005.

Industrial market

Trade is continuing to be the dominant influence in the industrial sector in terms of investing and leasing. The needs of modern distribution networks are fueling demand for new space. Property pricing and rising rents in some markets are forcing users to consider other locations where both land and operational costs may be lower.

Vacancy rates in the industrial sector should average 10.1 percent by the end of the year, up from 9.4 percent in the fourth quarter of 2006. Annual rent growth is likely to be 2.3 percent by the fourth quarter, up from a 1.4 percent annual gain in the fourth quarter of 2006.

Net absorption of industrial space in 54 markets tracked is estimated at 75.9 million square feet in 2007, down from 189.1 million last year.

Industrial transaction volume in 2006 was a record \$38.9 billion, up 9 percent from 2005.

Retail market

Consumer confidence is rising at a fairly slow pace, but a slug-

gish housing market and economic concerns are dampening consumer spending and, possibly, demand for retail space.

Vacancy rates in the retail sector will probably slip to 8.1 percent in the fourth quarter of 2007 from 8.2 percent in the same quarter last year. Average retail rent is expected to grow 1.1 percent this year, following a 3.9 gain in 2006.

Net absorption of retail space in 54 tracked markets is projected at 19.9 million square feet in 2007, up from 8.4 million in 2006.

Retail transaction volume declined 7 percent in 2006 to a total of \$46.9 billion; much of the decline was in regional shopping centers. However, unanchored strip centers, free-standing drug stores and big box retail centers saw large gains. At the same time, pricing for retail space rose 13 percent in 2006 to an average of \$168 per square foot.

Multifamily market

In the apartment rental market – multifamily housing – vacancy rates are forecast at an average of 5.9 percent at the end of this year, which would be unchanged from the fourth quarter of 2006. Average rent is likely to rise 2.8 percent in 2007, following a 4.1 percent increase last year.

With the condo conversion craze coming to an end in most markets, multifamily investment is normalizing. Condo converters accounted for \$30 billion out of \$88 billion in multifamily transactions in 2005, but were down

to \$9 billion out of \$87.4 billion in 2006. Some converted projects are returning to the rental market, and investors are now focused on income appreciation and improving fundamentals.

Multifamily net absorption should total 223,900 units in 59 tracked metro areas in 2007, up from 221,900 last year.

Hospitality market

Hotel occupancies are expected to average 68.1 percent in 2007, up from 67.8 percent last year. Revenue per available room (RevPAR) is seen at \$82.30 this year, up from \$78.40 in 2006. A record 45,500 hotel rooms are scheduled to be added to the inventory in 52 markets tracked this year, compared with 22,000 in 2006.

For properties valued at \$5 million or more, transaction activity during 2006 totaled 1,166 hotels with a combined value of \$35.3 billion, nearly 20 percent higher than 2005.

The *Commercial Real Estate Outlook* is published by the NAR Research Division for the REALTORS® Commercial Alliance. The RCA, formed by NAR in 1999, serves the needs of the commercial market and the commercial constituency within NAR. These organizations include the CCIM Institute, the Institute of Real Estate Management, the REALTORS® Land Institute, the Society of Industrial and Office REALTORS®, and the Counselors of Real Estate. The RCA also provides commercial products and services.

Save the Date and Join Us!

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6th Annual NYS Commercial Real Estate Conference

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the New York State Chapters of CCIM and SIOR and
the Society of Exchange Counselors*

***Monday, Tuesday & Wednesday
June 11, 12 & 13, 2007
Turning Stone Resort & Casino
Verona, New York***

Monday, June 11

Golf on the World Class Atunyote Golf Course

12:00 noon – Lunch

1:00 pm–5:00 pm – Marketing Session –

Moderated by Jim Wilson, CCIM, SEC (Florida)

5:30 pm – SEC Meeting

Tuesday, June 12

8:00 am - Breakfast

9:00 am–12:00 noon – Marketing Session

12:00 noon–1:00 pm – Lunch

1:00 pm–4:00 pm – Marketing Session continues

4:00 pm–7:00 pm – CCIM/SIOR Chapter Meetings

6:30 pm–8:30 pm – Welcome Reception/Networking Event

Wednesday, June 13

7:30 am – Breakfast

8:30 am–11:30 am – Continuing Education Classes

11:30 am–1:00 pm – Lunch and Networking - Speaker Stan Mullin, CCIM, CRE, SIOR,
National SIOR President, Sponsored by Pyramid Brokerage Company

1:00 pm–4:00 pm – Continuing Education Classes

Committee Chairs

Bylaws

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Chapter Presidents Roundtable

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Important dates

NAR Midyear Legislative Meetings - May 14-19, 2007

A key component of the Midyear Meetings is legislative advocacy. We strongly encourage you to participate in the efforts to promote the association's legislative agenda. From individual meetings with key Members of Congress and government officials to specialized briefings and electronic communications, there is a way for every REALTOR® to participate.

Have a voice – Make a difference on May 30

Annual REALTOR® Lobby Day in Albany — Help advance the REALTOR® legislative agenda by meeting face-to-face with your state legislators while they are working at the state capital. Plan today to participate in Lobby Day 2007 which will be held on Wednesday, May 30. Again, NYSAR will be providing breakfast, lobbying orientations, "thank you" gifts and lunch. For more information about Lobby Day contact your local board or NYSAR at 518-463-0300.

Commercialsource.com online convention - June 18-24

Commercial Source is the online convention and commercial real estate site that will showcase innovation, essential products, and services, and feature commercial real estate experts who are shaping the industry.

Chapter meeting schedule

Hudson Valley: Meets the second Tuesday of each month. Call John Lavelle at 845/744-2095 for details.

Metro Long Island: Call Sharon Langdon at 631/424-0776 for details.

Southern Tier: Meets the first Friday of each month. Call Doug Rein at 607/785-8326 for details.

Western New York: Meets the third Thursday of each month. Call Kristen Badger Bach at 716/880-1901 for details.

Rochester: Meets the second Thursday of each month. Call Dorian Chapman at 585/670-0440.

Greater Capital: Call Richard Ferro, CCIM at 518/464-0870 for details.

Code of Ethics training requirements

Between January 1, 2005 and December 31, 2008, every REALTOR® is required to complete 2.5 hours of Code of Ethics training. REALTORS® who have completed this training as a requirement of membership in another association are not required to complete additional ethics training until the next four year cycle.

All REALTOR® members must complete the training to maintain their membership. You may take the course online at www.realtor.org.

**Mark your calendar now
for the Sixth Annual
New York State Commercial
Real Estate Conference**

June 11-13
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