



## **June 2023 message from the president of NYSCAR - by Robert Strell**

June 13, 2023 - Upstate New York



Robert Strell

We are preparing to attend the 21st Annual Conference which is being held June 14-16, 2023 at the Turning Stone Resort and Casino in Verona, sponsored by the NYS Commercial Association of Realtors, Upstate New York Chapter of CCIM and the Society of Exchange Counselors (SEC). We hope to see you there! (Full details can be found [here](#).)

We are looking forward to continuing education classes with instructors Joseph Larkin, CCIM, SIOR and Russell Gullo, CCIM. We are pleased to have speakers Michael Kelly, director of government affairs, NYSAR who will give the attendees a legislative update and J. Shelby Schneider, deputy director, NYS Economic Development Council, with an update on projects in NYS. Attendees always look forward to the marketing, networking session and this year we have moderators Jason Dillard, SEC and Tyler Nepote, SEC, assisted by John Lavelle and Paul Hakim, CCIM.

Many thanks to our outstanding conference sponsors: Diamond: CoStar; Pyramid Brokerage/Cushman & Wakefield, Gold: New York Real Estate Journal, LaBella Associates, Silver: C2G Environmental Consultants, LLC; Beardsley Architects and Engineers, CBRE Upstate NY; Hanna Commercial Real Estate, Stewart Title and RJ Gullo Companies.

Upcoming Professional Development Classes via Zoom (free to NYSCAR members)

August 17 - 18, Working with office, retail and industrial buildings., Leases and Green Concepts, (7.5 hours) Edward Smith, Jr.

August 22 – Is a rhombus a square? This four hour class instructed by Mary Peyton, fulfills the licensing requirement for two hours of cultural competency and two hours of implicit bias.

August 24 - 25, Working with investment properties: financial analysis, taxes and exchanges, discrimination issues in commercial real estate (7.5 hours) Edward Smith, Jr.

August 31, September 1 – Ethics and agency, land & site development, comparing investments, brokerage issues and building your commercial business (7.5 hours) Edward S Smith, Jr.

September 19 – Legal update, Anthony Gatto, Esq. (1 hour)

Safety and Security for Real Estate Professionals, NYS Trooper Steve Rothwein (1.5 hours)

For schedule and a chart to help you keep track of your c.e. credit, see [here](https://www.nyscar.org/node/787): <https://www.nyscar.org/node/787>

If you would like to register for any of the Zoom classes, please email Sherry Marr at [Sherrymarr08@yahoo.com](mailto:Sherrymarr08@yahoo.com) (Please indicate which class you would like to take and include your 11-digit NYS license number)

National Association of Realtors (NAR)

NAR May Legislative Meetings: National Association of Realtors chief economist Lawrence Yun presented an overview of U.S. commercial real estate as part of the 2023 REALTORS Legislative Meetings. Yun emphasized challenges facing the commercial real estate market brought on by tightening lending policies among many small and regional banks, which have been a key source of commercial loans. Still, due to continuing U.S. job gains, net absorption has been mostly positive nationwide, Yun said, with the apartment, industrial and retail sectors helping to keep the industry relatively stable.

“The performance of commercial real estate markets will vary across the country,” Yun projected during Commercial Economic Issues and Trends Forum. “Markets with strong job gains will naturally hold on much better, while those with weaker job conditions will struggle to raise net occupancy.”

Yun said America’s apartment sector recorded 116,000 net positive absorptions in the past year, while the industrial and retail sectors added 361 million s/f and 64 million s/f, respectively, over the last 12 months. Office markets, however, saw a reduction in net absorption by 29 million s/f over the same period.

“The national office market will continue to see rises in vacancy rates due to falling demand,” Yun added. “The apartment sector will record a modest uptick in vacancy due to robust new supply.”

With the impact of mortgage interest rates on the housing market in focus throughout the week at NAR’s conference in D.C., Yun addressed the implications of Fed decisions on nationwide commercial markets.

“The Federal Reserve’s aggressive rate hikes have damaged balance sheets for regional and local banks, an important source of commercial real estate loans,” he said.

Yun estimated that continual rises in rates will in part cause commercial real estate transaction volume to decline by 27% overall in 2023.

“The lack of capital, higher costs of financing and refinancing, and the weakening economy will contribute to a lower overall valuation of commercial real estate prices,” Yun said. “Weaker prices will mean opportunities for those with deeper pockets to get deals done in the months and years ahead.”

Yun added that appraisal values have fallen by an average of 15% from peaks in early 2022.

The National Association of Realtors is America’s largest trade association, representing more than 1.5 million members involved in all aspects of the residential and commercial real estate industries. The term realtor is a registered collective membership mark that identifies a real estate professional who is a member of the National Association of Realtors and subscribes to its strict code of ethics.

Robert Strell is president of NYSCAR and is an associate real estate broker, real estate consultant

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