



2010 may be a great year to be a commercial real estate agent

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I have been in this business for over 35 years and have seen the present economic cycle before and I know it will pass. It has been, never the less, challenging times.

At this time of the year I am asked to make predictions, so here it goes. I see residential real estate pricing starting to level off and days on the market to sell shortening. Historically, the residential market runs six to eight months ahead of commercial. But, I see signs of increased commercial activity developing even sooner. I sense a "bottoming out" of commercial value reductions by the end of the first quarter, 2010. Prices will have dropped 25%-30% from two years ago. A slow rebound of commercial activity will begin in the second quarter.

We are already seeing higher CAP rates and investors returning to the market. A lot of adjustments, downsizing, and consolidations have already been done. New industries have now become "players;" they are growing and looking for space. Regional banks are lending (perhaps with higher down payment requirements and tighter underwriting) but none the less lending. Landlords and sellers are becoming more realistic to the new market conditions. Jobs will be created in 2010 and unemployment will be reduced. All the signs for recovery are coming into focus.

The market and the economy will rebuild in 2010. It will be a great year to be a commercial real estate agent.

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