



## **Decade Answers: Frank Chiarello**

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Frank Chiarello is the president at WRA Properties, Mamaroneck, N.Y.

What are your predictions for commercial real estate in the new decade?

I know when the real estate market will come back. Liquidity is the fuel that powers the economic engine which runs the economy in general and the real estate market, in particular. So long as financial institutions are allowed by law to keep mortgages and real estate assets on their balance sheets without "marking them to market," the banking and financial institutions capital will be held hostage to the potential losses of writing down and disposing of these assets. The real estate market will come back when financial institutions are required to realize and recognize these losses and are, in turn, required to dispose of these assets. Only when financial institutions are free of these "hollow assets" will they gain the financial strength and confidence to return to the lending arena and supply the liquidity that fuels the real estate market. When will this happen? When our political leaders have the collective spine to admit this problem exists and passes legislation that requires responsible financial reporting and not just simply pass bills that temporarily prop up the financial system until the next election.

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