

1999: It was a very good year!

This past year was eventful for commercial real estate practitioners within the NATIONAL ASSOCIATION OF REALTORS®. The year included an examination, by some individual members, commercial overlay boards, and at least one commercial Affiliate, of the benefits of a continuing relationship with NAR. The Association responded with a number of fact-finding and value-building initiatives. It appointed the Commercial Services, Membership Issues, and other Work Groups, which included representatives from concerned organizations. Their goal was to respond to the needs of the NAR commercial membership.

REALTORS® who hold high-level positions in large commercial real estate firms participated in a series of focus groups to help define how NAR could meet the needs of, and increase the value of membership for, commercial practitioners. Executives from major commercial real estate companies were interviewed to measure their awareness of the NAR involvement in commercial real estate, to validate the need for, and the value of, a separate commercial program, and to measure their support for such a strategy. The response was cautious but positive, focusing on the demonstrated ability of NAR to represent property rights, and its clear focus on real estate brokerage.

Research continued through staff field visits to NAR commercial structures, looking at member awareness of NAR, and the perception in the field of value received from NAR programs and services. Last year, staff visited with member and non-member firms in Denver (March/October), Dallas and Toronto (May), Miami (August) and New Hampshire (December). Field visits will continue this year to California (January), Minneapolis and Boston, Atlanta, and Dallas among others.

Leadership and staff of commercial structures joined senior NAR leadership and staff at a special joint planning session in September. The purpose of the meeting was to better understand the issues and trends that affect commercial members, to review the status of the Commercial Services Work Group proposals, and to recommend additional commercial initiatives. Some recommendations have already been implemented, including

- the development of an online directory of commercial members,
- an online source of commercial property listings in a standardized format for members,

At the REALTORS® National Convention in Orlando this past November, the NAR Board of Directors approved the formation of a REALTORS® COMMERCIAL ALLIANCE within NAR. The ALLIANCE is charged with:

- creating an identity for NAR commercial members, and
- providing a framework within which NAR commercial committees, structures and Affiliates can collaborate on a leadership posture for the commercial real estate industry.

The ALLIANCE, through REALTOR® and non-member representation on its Advisory Board, will provide input for TRANSACT™, the CommercialSource.com™ / LoopNet agreement, and other NAR commercial initiatives. Recommendations from the ALLIANCE that require governance decisions will be submitted to appropriate NAR commercial committees for action.

As a result of this planning, the year 2000 begins with a renewed resolve to provide a specific identity and meaningful resources for REALTOR® commercial members.

A Commercial Real Estate Identity

REALTORS® who are primarily involved with commercial transactions have long sought to be differentiated from their residential counterparts. The expressed need for a distinct identity within the REALTOR® family has been addressed in several ways.

- ✓ New staff devoted to serving commercial practitioners was added to the NAR Business Specialties division. The division name was changed to Commercial Real Estate & Business Specialties.
- ✓ The NAR Commercial & Investment Committee was restructured, along with its subgroups, to include REALTOR® representation from the major players in commercial real estate (such as large national firms and regional networks), commercial overlay boards, and the NAR affiliated commercial Institutes, Societies, and Councils.
- ✓ A REALTOR® Commercial Real Estate membership pin was created.

Expanded NAR Commercial Services

The Commercial Services Work Group was charged with identifying major issues, and proposing ways to better serve REALTOR® commercial practitioners. As a result of its work, the

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package of services provided to commercial practitioners was expanded to increase the incentive for joining and renewing membership in the NATIONAL ASSOCIATION OF REALTORS®.

- ✓ Two quarterly newsletters are mailed to all NAR members whose NRDS (National REALTORS® Database System) record identifies them as commercial practitioners.
 - The *REALTORS® COMMERCIAL ALLIANCE* Report is a digest of NAR commercial initiatives.
 - The *Commercial Legislative Update* keeps members informed about NAR legislative initiative activities, which members have identified by members as the primary benefit of REALTOR® membership.
- ✓ The first TRANSACT™ Commercial Conference was held in Chicago in September 1999, incorporating property marketing with education and networking for more than 650 U.S. and international participants. It launched NAR as a commercial power within the industry.
- ✓ The NAR/RealSelect/LoopNet agreement creates the national technology platform that members requested for listing property information online. The agreement calls for improvements to CommercialSource.com™ including discounts on business products and development of research/data resources for members only.

The Three-Way Agreement and Dues Formula

Responding to a recommendation that the NAR membership dues formula be modified for non-practicing licensees and for commercial firms with several offices within a state, the Membership Issues Work Group presented some preliminary proposals in November. The Work Group will meet again in March to formulate final recommendations to send to leadership for review and action at the NAR Midyear meetings.

REALTORS® COMMERCIAL ALLIANCE

The approval of the REALTORS® COMMERCIAL ALLIANCE by the NAR Board of Directors in November was the result of the efforts of the NAR Commercial & Investment Committee, which continued with the creation of the Non-Residential Presidential Advisory Group, the Commercial Services Work Group, and others.

The purposes of the ALLIANCE are 1) to provide a collective identity for the NAR commercial real estate members and structures, and 2) to provide leadership and direction for developing a unified voice for the NAR ALLIANCE partners, and for the commercial real estate industry.

Through TRANSACT™ and its participation on the LoopNet Governance Board and the Real Estate Roundtable, NAR will be involved with large commercial firms and the other real estate associations. Through the ALLIANCE, NAR will seek to provide leadership by bringing together the major players in collaboration on commercial real estate initiatives. Involvement with these industry leaders will increase the visibility of NAR, its commercial REALTOR® Affiliates, and the professional designations they award.

Online Listings for Commercial Properties

In December, NAR and its Internet partner, RealSelect, Inc., a subsidiary of HomeStore.com, Inc., entered into an exclusive agreement with LoopNet, Inc. This agreement creates one of the largest sources of commercial property listings and transaction-related tools and services available on the Internet.

LoopNet now hosts, operates, develops, and maintains CommercialSource.com™ under the direction of NAR, just as RealSelect operates REALTOR.COM™ for NAR. According to NAR President Dennis Cronk, "The site will leverage the technical expertise of LoopNet and RealSelect, as well as size and influence of NAR. Combined with the participating companies' market share and endorsement, LoopNet.com will provide a common platform for the largest number of commercial property listings available."

NAR members can load their properties into the LoopNet.com database, through CommercialSource.com™, or through their commercial property service. LoopNet will combine properties from participating commercial property services (MLS, CLS, CIE, etc.) with those from participating companies, and with commercial properties that have been loaded directly onto LoopNet.com by NAR members and other

REALTORS® COMMERCIAL ALLIANCE

NAR President Dennis Cronk and President-Elect Richard Mendenhall have announced the appointment of the initial officers of the newly created REALTORS® COMMERCIAL ALLIANCE. Robert Boyd of Advantis GVA, Atlanta will serve as chair. Russell K. Booth, CCIM, CIPS, CRB, CRE, of Mansell Commercial Real Estate Services, Salt Lake City, UT, a former NAR president, will be vice-chair.



Boyd, a veteran of more than 23 years in the acquisition and disposition of both corporate and institutional properties, has served as marketing director for several major office and industrial developments. His corporate service experience includes specific projects for several major financial institutions. In 1990, as head of the Atlanta office of Grubb & Ellis Company, he directed its transition from Adams / Cates to one of the top commercial real estate companies in the Southeast. Currently, Boyd heads the Corporate Real Estate Services initiative for Advantis, a wholly owned subsidiary of the St. Joe Company. Bob was the 1999 Atlanta Commercial REALTOR® of the Year.

commercial real estate brokers. The service is available without cost to listing brokers.

This collaborative effort results from the strong desire of the NAR to serve its commercial members as comprehensively as their residential counterparts have been served through the extraordinary success of REALTOR.COM™, which offers the largest selection of home listings available on the Internet (currently 1.3 million properties).

The new LoopNet Governance Board will provide direction in delivering market-driven products, and will also monitor site controls designed to maintain the broker-centric focus of LoopNet.com. REALTORS® COMMERCIAL ALLIANCE Advisory Board Vice-Chair, Russ Booth, a commercial practitioner and former NAR president, will serve as the NAR representative on the LoopNet Governance Board.

CommercialSource.com™ is being designed as a major source of complete commercial real estate information for NAR members. It will offer

increased networking opportunities for commercial real estate practitioners through an online REALTOR® commercial membership directory and will contain many member-only services, primary among which will be online business and research tools.

An Online Directory of Commercial Members

The referral directory at CommercialSource.com will contain the contact information of all members who are identified in the National REALTORS® Database System (NRDS) as commercial practitioners. Only those members whose NRDS record contains a commercial field of business will be searchable on the database. If you haven't done so already, you can either change your member record or have your local board do it. You can your NRDS member record through www.OneRealtorPlace.com™. Log in with your member ID number, which you'll find on your REALTOR® Magazine address label, as well as on the label on the envelope in which this newsletter was mailed. If you

ANCE Leadership Appointed

He has served as an NAR director, as president of the Atlanta Commercial Board of REALTORS®, and, last year, as chair of the Commercial Services Work Group, which developed new commercial initiatives including the formation of the REALTORS® COMMERCIAL ALLIANCE.

Booth, a REALTOR® active in commercial real estate for over 26 years, is president of Mansell Commercial Real Estate Services, a full service, commercial investment brokerage, and a property management and development company in Salt Lake City, UT. He has served in executive positions at all levels of the REALTOR® organization, and was the 1997 NAR president. A former president of the Utah Association of REALTORS®, the Salt Lake City Board of REALTORS®, he has been honored as REALTOR® of the Year by both organizations. He has been instrumental in representing the interests of commercial practitioners within the NAR family, a movement that resulted in the formation of the REALTORS® Commercial Alliance. Booth will also serve as the NAR representative on the LoopNet Governance Board.



have difficulty logging into your record, contact your local REALTOR® organization or call NAR Information Central at 800/874-6500.

TRANSACT™ 2000

TRANSACT™ 2000 will build on the success of the program last year. To overcome any confusion over whether it is a commercial or an international conference, TRANSACT™ will be marketed as a Commercial Real Estate Conference in which the increasingly global nature of commercial real estate is recognized. So if you are a commercial real estate practitioner, TRANSACT™ 2000 is for you, whether or not you are involved in international real estate transactions.

The REALTORS® COMMERCIAL ALLIANCE will give input on program content and to identify potential target corporations and organizations. We want to build TRANSACT™ into a "must attend" event for the com-

mercial real estate industry. Mark Thursday and Friday, September 14 and 15 in your calendar for TRANSACT™ 2000 in Chicago. The welcome reception will be Wednesday evening, following the ALLIANCE Advisory Board meeting.

The Work Groups Evolve

Now that the goals of developing the REALTORS® COMMERCIAL ALLIANCE, improving the role of the commercial structures, and identifying other ways that NAR can serve its commercial members are being accomplished, both the Commercial Services Work Group and Commercial Structures Joint Planning function will evolve within the organization.

The Commercial Leadership Forum, which meets on Saturday mornings at the NAR Midyear meetings and at the REALTORS® National Convention in November will be expanded to include commercial structures and commercial services segments. Commercial structure case studies will be followed by a Commercial Town Hall meeting. The Town Hall meeting will include updates and feedback on the REALTORS® COMMERCIAL ALLIANCE, TRANSACT, CommercialSource.com, and other NAR commercial initiatives.

As for the Joint Planning function, commercial structure presidents and executive officers will be invited to attend the NAR Joint Planning Meeting in August. There they will be briefed on developments pertaining to the business of running their local and state organizations and on services available from NAR. The REALTORS® COMMERCIAL ALLIANCE Advisory Board meeting will take the place of the Joint Planning meeting the day before TRANSACT 2000™. Commercial structure representatives who attend TRANSACT™ will be invited to participate in the REALTORS® COMMERCIAL ALLIANCE Advisory Board meeting. Commercial joint planning functions will be incorporated in TRANSACT™ and other meetings throughout the year.

A draft version of the Membership Issues Work Group report was circulated at the National Convention in Orlando and was again distributed to all REALTOR® Association Executives. The Work Group proposed providing dues relief for non-practicing licensees who perform administrative work for which a license is not required; dues relief for firms with multiple offices in a state; and modifications of the Institute Affiliate membership category. The group will meet in March to review the responses and issue a final report for consideration by NAR Leadership.

More Commercial Content at NAR Meetings

We are looking for ways to respond to requests to increase the value of NAR meetings for commercial members with improved education and networking opportunities. One option is to continue the property haves/wants session that was conducted at the end of the Commercial Networking Roundtables. Other ideas under consideration for 2000 include

- An orientation session for commercial members, including tips on making the most of the meeting schedule and what technologies to look for at the tradeshow
- A technology session designed specifically for commercial practitioners
- An expanded dealmaking marketing session using a standardized

Your commercial Leadership and staff are proud of all that has been accomplished during 1999. We thank those of you whose efforts had such positive results and we look forward to great accomplishments in the year 2000.

Legislative Alert!

Bankruptcy Reform Passes Senate

The NAR Commercial Legislative Update went to print before the vote, so we wanted to alert you to it here. This is an important issue for commercial and multi-family property owners. The Senate bill provides for eliminating the cap on value of properties involved in single-asset bankruptcy cases, closes the loophole on tenant abuse, and provides protections for shopping center owners. Complete information can be found at www.OneRealtorPlace.com™ in the Government Affairs Weekly Update.

CIREI Adds New Designees, Programs

The Commercial Investment Real Estate Institute (CCIM) added nearly 700 commercial real estate and allied professionals to its roster of CCIM designees in 1999, bringing its total membership to more than 6,500 designees and 5,600 candidates. In October 1999, CIREI launched the Site To Do Business Online, an exclusive new Internet-based service for CCIMs and CIREI candidates. STDB Online provides a central source for financial analysis tools, demographic and mapping reports, property listing services, property comparables, real estate news services, financial market reports, business location listings, construction data, environmental information and search functions. The Institute has also developed custom market trends and forecast software for use by its chapters to facilitate the data gathering process for measuring and forecasting market activity. Continuing its global outreach, CCIM courses have been held in, or are scheduled for presentation in, Argentina, China, Korea, Mexico and Russia. In addition to activity in these countries, the CCIM ambassadors have made inroads in Brazil, France, Israel, Singapore, the Slovak Republic and Spain. "Chicago 2000: Your Kind of Conference, Your Kind of Town" is the theme of the CCIM International Commercial Real Estate Conference, the networking and marketing event of the year for CCIMs takes place June 24-26, 2000 at the Sheraton Chicago Hotel and Towers. For details on CIREI programs, visit www.ccim.com.

RLI Forms First México Chapter

The first México Chapter of the REALTORS® Land Institute (ALC) was inaugurated in Monterrey, Nuevo Leon, México in January. D. L. "Gooley" Orr, ALC, 2000 national president of the REALTORS® Land Institute, and Jacob R. Casanova, CIPS, NAR reciprocal director to México, and Vice-Chair of the National RLI International Committee 2000, presided. The RLI México Chapter is the first chapter to be established in that country by one of the NAR Institutes, Societies, and Councils. César E. Paredes, ALC, will serve as the 2000 chapter president.

S.I.O.R. Releases Market Survey

The Washington, DC-based Society of Industrial and Office REALTORS® (SIOR), and New York-based Landauer Real Estate Counselors have released the 2000 edition of "Comparative Statistics of Industrial and Office Real Estate Markets", an annual, nationwide survey of industrial and office real estate market activity. The survey includes a comprehensive prior year review and the current forecast of economic trends and their affect on commercial real estate. Now in its eleventh year, the survey is the most comprehensive market-by-market survey of both industrial and office properties. The 2000 edition reports on the performance and outlook of 128 office markets and 136 industrial markets at September 30, 1999 throughout the U.S., plus 15 leading property markets in Canada, Mexico, Africa, Europe and Asia. To learn

Your 2000 Committee Leadership

Commercial & Investment Committee

Carol Wolf (WY) Chair
Macdonald West (FL) Vice-Chair

Member Services Subcommittee

Joel Criz (HI) Chair
Perry Hall (TX) Vice-Chair

Commercial Structures Leadership Forum

Bob Levinson (NJ) Chair
Bob Boyd (GA) Vice-Chair

Property Management Forum

Michael Simmons (NJ) Chair
Peter Ogden (WI) Vice-Chair

Committee Liason

Fred Prassas (WI)

Commercial Real Estate & Business Specialties Staff

Richard Maxson: Managing Director
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312/329-8611

REALTOR Commercial Real Estate Pin

The new commercial pin will be available through your local commercial structure. To obtain a supply, your local structure can contact the Commercial Real Estate & Business Specialties division at commercialrealestate@realtors.org or at 312/329-8611

more about the 300-page report, visit the Society Web site at www.sior.com.

New Member Benefit for Property Managers

Secure A Lease, is a new and unique insurance product for property managers that insures the risk ordinarily covered by security deposits and eliminates the need for security deposits. It is for managers of residential properties with more than 250 units or those who have more than \$1,250,000 in annual rental income under their control. It will be expanded to small property management firms at a later date. Features include: 1) Tenant moves in without having to pay a security deposit; 2) Landlord and Property Manager are protected through insurance against loss of rent and damage, with an option of cleanup expense coverage; 3) A profit-sharing formula which benefits the property manager if claims experience is good. For more information go to www.OneRealtorPlace.com™ and access the REALTOR® Benefits Plus link or call 800/NAR-5233.



NATIONAL ASSOCIATION OF REALTORS®

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