

CCIM CONNECTIONS

The Official Publication of The CCIM Institute

THE CCIM INSTITUTE
SUMMER 2024

CCIM Marketing Campaign

The new global awareness campaign aimed at heightening the value of a CCIM.

pg.9



THE RISING COST OF THE DEAL

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National Association of REALTORS® Settlement

Perspectives on NAR's 2024 broker commission settlement.

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By the Numbers

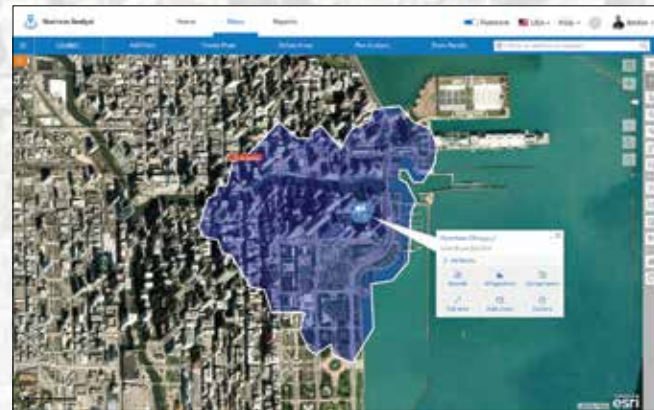
Higher interest rates and slowing demand are increasing commercial real estate deal costs.

pg.28



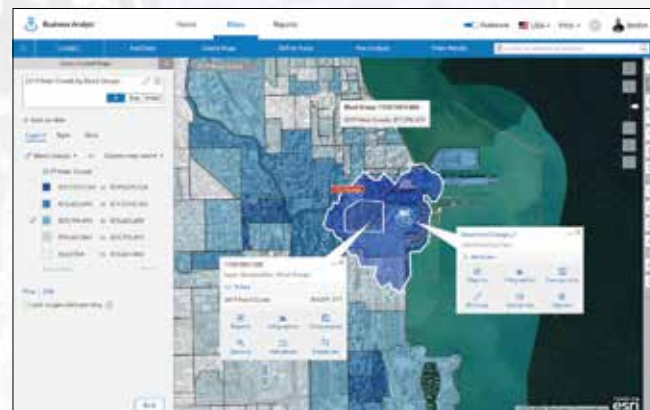
The Commercial Real Estate Experts

Smart Map Search in 3 Steps

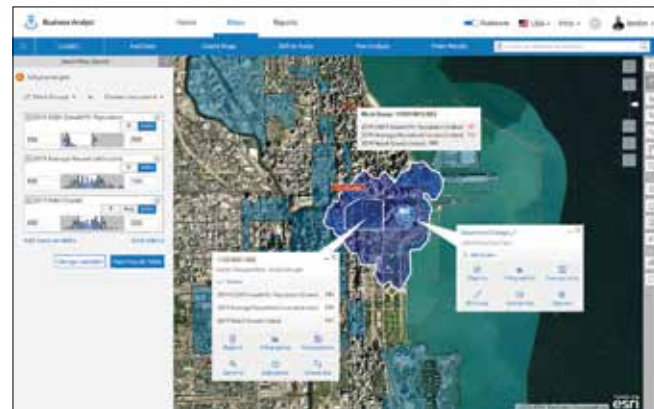


1 Bring your data into context.
Understand your market in context and compared to other options.

2 Locate gaps.
Identify the gaps and opportunities that others have overlooked.



3 Analyze.
Quantify the return on investment and quality of your plans against experience.



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What's in this issue



In this issue, we highlight key individuals, initiatives, and global trends shaping our network. We celebrate major achievements, including the 2023 President's Cup winners and the largest deal by Adam Palmer, CCIM, and Michael Doyle, CCIM. We also examine high interest rates, industry impacts, and international perspectives.



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Rick Gonzalez, CCIM, transitioned to land sales in 2002 after a 20-year career as an environmental scientist.

CCIM CONNECTIONS
GLOBAL PRESIDENT'S MESSAGE



D'ETTA CASTO-DELEON, CCIM

2024 Global President

Welcome to the summer issue of *CCIM Connections*. In this issue, we highlight some of the people, initiatives, and global trends impacting our growing network. We are continuing to work to expand that global network by attracting new members, as well as showcasing the experience and expertise of CCIM professionals in the industry.

An essential part of our mission to grow our organization and enhance our brand is celebrating our accomplishments. Congratulations to Adam Palmer, CCIM, and Michael Doyle, CCIM who had this quarter's biggest deal. We also recognize our 2023 Chapter Award Winners that were announced at our 2024 Midyear Governance Meetings in Nashville.

As CCIMs, we are all working to keep our fingers on the pulse of key trends and events shaping our industry. In this issue, we take a closer look at the high interest rate environment and the persistently high costs that are impacting dealmaking. We also examine the implications of the landmark settlement agreement involving the National Association of REALTORS®. While this lawsuit was brought on behalf of home sellers related to broker commissions, how might this impact commercial real estate transactions and the CCIM community?

Many of the same challenges and opportunities that we see in the U.S. are shared by fellow CCIMs across our five international chapters. In an increasingly global economy, we have the ability to learn from our fellow CCIMs in the U.S., Canada, Japan, Korea, and Taiwan. You can read more about their dealmaking experiences in our international perspectives article.

I'm excited to see our progress in continuing to grow The CCIM Institute. In addition to expanding our ranks, we are continuing to strengthen the CCIM Designation as a recognized brand and standard for excellence in commercial real estate. Why partner with a CCIM? We all know the answer to that, and we are continuing to bring that message to a global audience. ■

CCIM CONNECTIONS

CCIM Connections, the official publication of The CCIM Institute, reports on member news, insights, market trends and analysis, developments in the field, and successful business strategies.

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THE CCIM INSTITUTE

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The CCIM Institute, an affiliate of the National Association of REALTORS®, confers the CCIM Designation to commercial real estate professionals who have extensive training and industry experience and complete a rigorous study program.

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 First Vice President, Adam Palmer, CCIM, Fort Myers, FL
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More Than a Designation

Take Advantage of Exclusive Offers
From Our Member Advantage Providers



BigBoysBlast.com Commercial real estate marketing	biproxi Marketing platform for commercial real estate professionals	BREVITAS Commercial real estate listing platform	CommercialEdge Commercial Real Estate asset management system
COMPSTAK Commercial real estate sales and lease analysis software	CREgrow Website design, development, hosting, and support	CRE MODELS Underwriting and asset management	CREOP Cloud-based software for custom marketing packages and more
CREXi Commercial real estate marketplace and technology platform	FUEL Valuation, forecasting, and transaction platform	IdealSpot Demographic and site selection platform	Squared Marketing Brand strategy and digital marketing services
earthvision Mapping, aerials, flyers and customer analysis for retail real estate	IMS Investment management software	KADO A digital business card, lead generation, and management tool	Leadpipes Client management and lead generation software
MOO On-demand printing for business and marketing materials	TEXT CRE Matching CRE Sellers with Investors	NATIONAL ASSOCIATION of REALTORS® National Association of REALTORS® (NAR) membership	OCCUPIER Client and deal management platform
PARTNER Engineering, environmental, and energy services	propdocs Document creation in the cloud	Real Dash Real estate marketing and technical platform	RealNex CRM software for commercial real estate
SHARPLAUNCH Marketing platform for building owners, asset managers, and brokers	SITE Publication of the latest trends in economic development and corporate real estate	Snazzy Travel discounts on hotels, rental cars, cruises, and more	STRATAFOLIO Automated analytics for real estate
			magicplan A mobile solution to survey commercial real estate properties
			FIABCI Worldwide business networking for professionals in real estate
			RealtyZapp.com Integrated SEO, email, and social media marketing platform
			TheAnalyst PRO Apps for business tools, calculators, and analysis reports

Your membership in The CCIM Institute gives you access to additional discounts and programs for travel, printing, technology tools and more.

Scan to learn more:



Do you belong to or know of a company that would be a good fit as a Member Advantage Provider?

Scan to learn more:



THE BIGGEST DEAL

SUMMER 2024



Adam Palmer, CCIM, and Michael Doyle, CCIM - Record-Breaking \$92.5 Million Commercial Real Estate Deal in Fort Myers, FL

Adam Palmer, CCIM, and **Michael Doyle**, CCIM, represented the buyer, Exeter 9121 CenterLinks Commerce, in a **\$92.5 million transaction** of CenterLinks Business Park, a 454,200-sf business park property located in Fort Myers, FL.

This sale is the largest industrial sale in Southwest Florida's history, and includes Sarasota, Charlotte, Lee, and Collier counties.



CenterLinks Business Park
Fort Myers, FL

"The fact that the buyer for this property was an institutional buyer that generally would not invest in the small bay product type of the subject portfolio, nor in a secondary geography like where it was located, was very interesting to me," states Palmer. He believes this could be a fortuitous case study of what the future holds if other institutional investors move into secondary and tertiary markets.

Although he started out as a software engineer, Palmer found his calling in commercial real estate, acting as a broker for more than 20 years. With his corporate background, his ability to work with a variety of people daily, as well as the emotional aspect involved, he naturally gravitated toward working in the industry.

Palmer credits his success to his CCIM Designation and the education he received from The CCIM Institute. This professional development has been instrumental in shaping his business strategy and enabling him to accurately calculate which opportunities makes more sense down to the dollar.



OFFICE

Brian Hughs, CCIM, of Candler Real Estate Group, LLC in Gainesville, GA, represented the seller, Hunt Ventures, LLC, in a **\$10.6 million transaction** of Gym of '36, a 34,000-sf office property in Gainesville, GA.

Russell T. Noll, CCIM, of Transwestern Real Estate Services in San Antonio, TX, represented the seller in a **\$70 million transaction** of Vista Corporate Center, a 157,470-sf office property in San Antonio, TX.



Want to be featured in Deal Makers? Scan to learn more.

INDUSTRIAL

John V. Propp, CCIM, of John Propp Commercial Group in Greenwood Village, CO, represented the seller, H.A.L. Construction, Inc., in a **\$5.4 million transaction** of a 20,168-sf industrial property in Denver, CO.

Russ Martin, CCIM, of Relyance Bank in Little Rock, AR, represented the buyer, Tempus Maximus, LLC, in a **\$20 million transaction** of industrial property in Lafayette, IN.

Karen Mankowski, CCIM, of Newmark in Charlotte, NC, represented the tenant in an **\$8.4 million transaction** of Hillside Industrial Park - Building 13, a 96,400-sf industrial property in Duncan, SC.

John Speropulos, CCIM, and **Marc Murphy**, CCIM, of Mitch Cox Realtor, Inc. in Johnson City, TN, represented the seller, FH&P TN Properties, GP, in a **\$4.9 million transaction** of a 94,020-sf industrial property in Kingsport, TN.

Chad Griffiths, CCIM, of NAI Commercial Real Estate in Edmonton, Alberta (Canada), represented the seller in a **\$8 million transaction** of an undisclosed 33,852-sf industrial property in Edmonton, Alberta (Canada).

Matt McLennan, CCIM, of Kidder Mathews in Tacoma, WA, represented the seller in a **\$41 million transaction** of The Cascade Building, an 184,000-sf industrial property in Bonney Lake, WA.



THE BIGGEST DEALS FROM SUMMER 2024 *continued*



RETAIL

Greg Bedell, CCIM, of Progressive Real Estate Partners in Rancho Cucamonga, CA, represented the seller, a private Orange County-based investor, in a **\$6.1 million transaction** for a 33,004-sf retail property including a multi-tenant building and two pad site buildings in Desert Hot Springs, CA.

T.C. Macker, CCIM, of WESTMAC Commercial Brokerage Company in Los Angeles, CA, represented the seller, LCOS, LLC, in a **\$4.3 million transaction** of 3130-3136 Foothill Blvd, a 10,747-sf retail property in Montrose, CA.

Ryan Marn, CCIM, of First Western Properties in Kirkland, WA, represented the seller in a **\$35.3 million transaction** of Lincoln City Outlets, a 255,608-sf retail property in Lincoln City, OR.

SPECIALTY

Rebecca K. White, CCIM, of eXp Realty in Nashville, TN, represented the seller, Lesa H. Skoney, Administrator Estate of John W. Dalton III, in a **\$14 million transaction** of Pasture/Farmland, 67.5 acres of land property in Franklin, TN.

Dylan Kelley, CCIM, of Kelley Urban Land in Edmonton, Alberta (Canada) represented both the buyer and the seller, Anthem United, in a (CAN) **\$12.5 million transaction** of 56.44 acres of land property in Edmonton, Alberta (Canada).

Michael J. Frye, CCIM, of RE/MAX Realty Group in Fort Myers, FL, represented the seller in a **\$3.8 million transaction** of an undisclosed 34,843-sf industrial property in Cape Coral, FL.

MULTIFAMILY



Devin Lee, CCIM, of Northcap Commercial in Las Vegas, NV, represented the seller in a **\$7 million transaction** for 3649 Cecile Ave Apartments, a 200-unit multifamily property in Las Vegas, NV.

HOSPITALITY

Brian Resendez, CCIM, of SVN | Bluestone in Beaverton, OR, represented the seller, Sam Allen Motel Properties, LLC & Monarch Motor Hotel, Inc., in a **\$18.6 million transaction** of Monarch Hotel & Conference Center, a 192-sf hospitality property in Clackamas, OR.

The CCIM Institute Launches

NEW MARKETING CAMPAIGN

TO PROMOTE HOW CCIM DESIGNEES ELEVATE THE VALUE OF THE DEAL

The CCIM Institute is undergoing a three-year awareness campaign aimed at heightening the value of the contributions that CCIM Designees bring to the deal. The new campaign will drive growth, relevance, and sustainability that will resonate with CCIM's evolving audience across the globe.

Introducing, "Choose Excellence. Expect Results." This campaign shines a spotlight on the unparalleled value that CCIM Designees bring to the table. The focus of this campaign is engaging with allied professionals and stressing the "why" and the "how" a CCIMs skills and expertise are crucial for achieving optimal success in a deal.

"While we know that CCIM's are the commercial real estate experts, we need to get other affiliated professionals, whether it is those in wealth management, CPAs, attorneys, or civil engineers, to understand that Designees are the experts in their field," explains Robby Eaves, CCIM, the 2024 Marketing Committee Chair. "The message is, 'Turn to the experts, who are CCIMs.'"

The CCIM Institute is committed to sharing this expert knowledge, expertise, and skillset with allied professionals who are seeking to elevate the deal and provide remarkable returns on investment for their clients.

"It is a push to really make the brand and Designation staples for everyone affiliated with a real estate transaction," says Leslie Biskner, CCIM, 2024 Marketing Committee Vice Chair. "When we engage with professionals throughout every aspect of a commercial real estate deal, if they don't know what it is, we make sure they understand what it means to have the Designation and how important it is to work with professionals who hold our level of expertise."

Why "Choose Excellence. Expect Results."?

The theme was selected because excellence permeates every aspect of the rigorous curriculum completed by CCIM Designees. From the top-tier instruction from today's industry leaders to displaying ethics and a proven portfolio of successful deals, the CCIM Designation signifies a superior standard of excellence.



Scan now to learn more.

What Happens When You Opt for Excellence?

Results follow. Not only do your clients experience enhanced ROIs, but your transaction partners also enjoy smoother processes facilitated by the integrity and expertise of CCIM Designees. Every participant in the deal gains from heightened knowledge, yielding meaningful outcomes for all involved.

Biskner says she has some clients, who are not CCIMs, which have assembled entire teams of CCIMs. "They do that because they know that the deal will go smoothly, and the transaction will be seamless," she adds.

CCIMs Can Add to the Campaign's Impact

The CCIM Institute will share with members several tools to utilize at both the local and national levels. You can make full use of these resources, as they are designed to enhance communication and raise awareness in print and on social media.

Consider these tools as a foundation to showcase the expertise that Designees bring to the table to allied professionals in your market. As coverage expands, we urge you to continue sharing your experiences. You are the foremost ambassadors for the CCIM Designation.

You can start preparing for the campaign now by ensuring your member profile is up to date with your skills, an updated picture, and your current contact information. This is crucial because the campaign will guide allied professionals to a dedicated webpage to easily find CCIMs in their local area to work with.

"Updating your member profile ensures that your online presence accurately reflects your skills and expertise as a CCIM Designee, making it easier for potential clients and partners to find and connect with you," says Eaves.

Keep an eye out this June for the rollout of the CCIM Designation marketing campaign. ■

THE CCIM INSTITUTE



THE CCIM INSTITUTE CELEBRATES

DISTINGUISHED CHAPTERS

Highlights from the
2023 First Place Winners

The CCIM Institute's Presidents Cup Award is held annually during the Midyear Governance Meeting. This award recognizes The CCIM Institute's chapters that exhibit exceptional creativity and innovation in promoting membership and programs at the local level. This year's first place winners were the Georgia CCIM Chapter (Tier 1), the PA/NJ/DE CCIM Chapter (Tier 2), and the New Mexico CCIM Chapter (Tier 3).

1st

Place Winners

- Tier 1 | Georgia CCIM Chapter
- Tier 2 | PA/NJ/DE CCIM Chapter
- Tier 3 | New Mexico CCIM Chapter



2nd

Place Winners

- Tier 1 | Houston/Gulf Coast CCIM Chapter
- Tier 2 | Southern California CCIM Chapter
- Tier 3 | San Diego CCIM Chapter

3rd

Place Winners

- Tier 1 | St. Louis CCIM Chapter
- Tier 2 | Central Arizona CCIM Chapter
- Tier 3 | Mississippi CCIM Chapter

Chapters of Excellence

- Most Improved Chapter | San Diego CCIM Chapter
- Best Industry Event | Northern Nevada CCIM Chapter
- Best Networking Event | PA/NJ/DE CCIM Chapter
- Best Education Program | Georgia CCIM Chapter
- Designation Promotion | New England CCIM Chapter
- University Outreach | Connecticut CCIM Chapter

The Georgia CCIM Chapter was pleased to be announced as the President's Cup Tier 1 first place winner after previous years of narrowly missing the award. The chapter effectively leveraged its education and networking initiatives to build alliances with local and state entities, increase sponsorships, and engaged Designee and candidate members.

The chapter's leadership aimed to expand its brand in underserved commercial real estate markets across the state while enhancing the value proposition for members. They achieved state certification as a real estate school in Georgia, enabling them to offer continuing education credits through The CCIM Institute's courses.

The chapter focused on engaging members statewide and regionally, connecting commercial real estate professionals living and working outside the Atlanta MSA.

The Georgia CCIM Chapter outlined four key initiatives for 2023: expand, engage, elevate, and excite. Their goals include increasing attendance at in-person Designation courses and those offered by the Robert L. Ward Center for Commercial Real Estate Studies, engaging members across the state to connect with those outside of Atlanta, elevating the value proposition for sponsors, and fostering community partnerships through expanded programs and enhanced social media presence.

The PA/NJ/DE (Pennsylvania, New Jersey, and Delaware) CCIM Chapter was honored to be announced as the President's Cup Tier 2 first place winner. The recognition was a testament to their growth and efforts in 2023. The chapter hosted various educational events alongside Designation promotion initiatives, leading to a 36% increase in attendance. They also successfully launched a DEI (diversity, equity, and inclusion) initiative with informative webinars.

2023 brought significant changes to the chapter, including the appointment of a new Membership Chair, Monika Polakevic, CCIM, and a reinvigoration of the membership committee. The chapter introduced a more substantive onboarding process, providing new members multiple touchpoints with chapter leaders, the Membership Chair, the Executive Director, and the local regional chair within the first 60 days. This initiative has helped new members connect and network with other commercial real estate professionals in their local area faster than before.

To enhance member engagement, the membership committee collaborated with the Executive Director on several campaigns to recruit new members and re-engage lapsed ones. As a result of their email and social media campaigns, and targeted outreach, membership grew from 136 members in 2022 to 185 members in 2023, a 36% increase.

The PA/NJ/DE CCIM Chapter focused on four key initiatives in 2023: university outreach/mentorship, sponsorship, excellence and innovation, events, and DEI. After laying the groundwork for university outreach in late 2022, the chapter dedicated significant time to relationship building. By focusing on these efforts, they reached new audiences and better reflected the diversity of the community and industry in their region.

The New Mexico CCIM Chapter was honored to be chosen as the President's Cup Tier 3 first place winner. This achievement resulted from a comprehensive strategy focused on succession planning and member engagement. Participation and engagement grew significantly through guided paths to the Pin, education, portfolio review courses, and numerous networking opportunities. These efforts reflect the chapter's growth and dedication, recently celebrating its 50th anniversary.

In their membership drive, the New Mexico CCIM Chapter showcased ingenuity and innovation by creating an interactive online platform that boosted member engagement and attracted new members. They organized workshops and seminars featuring industry experts, ensured inclusivity and value, increased community outreach through partnerships with local businesses and educational institutions, and successfully promoted the CCIM Designation to young professionals.

The New Mexico CCIM Chapter provided a clear path to the Pin with targeted education and portfolio review courses, helping members feel well-prepared and confident. They also prioritized creating numerous networking opportunities to foster a strong sense of community and collaboration. ■

GLOBAL DEALMAKING OPPORTUNITIES

CCIM Designees are traversing the world to make deals happen.

For seamless transactions, whether from the U.S. to international markets or vice versa, working with a CCIM is essential for the success of the deal.

CCIMs have their pulse on international markets and are equipped with the knowledge and understanding about the different customs and traditions to help in the dealmaking process. There are more than 1,000 CCIMs representing 24 countries outside of the U.S. Like their counterparts in the U.S., international CCIMs are recognized as leaders in the industry.

Here is an update on one recent global conference and several of The CCIM Institute's international events to be aware of and know about.



MIPIM 2024 Real Estate Conference

MIPIM 2024, the real estate industry's largest global forum, once again brought together investors, developers, public sector officials, architects, and stakeholders from across the global real estate industry. Nearly 27,000 people attended the conference to discuss trending topics like interest rates, return to office, investment opportunities, geopolitics, technology, and end-users' expectations.

"MIPIM is a conference where our international leadership felt strongly that The CCIM Institute should have a presence," says Steve Welch, The CCIM Institute's Vice President of Education. "It is one of the largest commercial real estate conferences in the world."

Held March 12-14 in Cannes, France, The CCIM Institute was well represented. Welch attended on behalf of the organization. Eight additional members of The CCIM Institute also attended.

"One of the values of attending MIPIM was the ability to meet with companies who are interested in partnering with The CCIM Institute to deliver education," notes Welch. "The goal of The CCIM Institute going to MIPIM was not just to strengthen existing partnerships and build our brand, but also identify potential future partnerships as we continue to expand our international presence."

He notes that the CCIM Designation is not as well known, especially in Europe, as it is in other parts of the world, such as Asia, where The CCIM Institute already has a strong and longstanding presence.

"Our goal there was to develop more global visibility as a brand," Welch says.

"Having the opportunity to be at a conference that attracts a large global audience and begin to have some strategic meetings where organizational partners like FIABCI and RICS were helpful for us to begin to expand our global footprint and look for ways to promote the value of dealmaking and doing business with CCIMs around the world," Welch points out.

In one instance, a MIPIM attendee inquired about an international opportunity with a CCIM Designee, who later was able to leverage that prospect to make a contact.

"I think that speaks to the value of our presence at these international meetings because we are a networking organization," Welch explains. "Deals get done when people come together, connect over their opportunities, needs, and wants, and engage in meaningful conversations with the right individuals."

Michael Williamson, CCIM, Senior Broker Associate at Sperry Commercial Global Affiliates—Ellermann Brokerage in Chicago, also attended the conference.

"MIPIM was an excellent and rewarding experience," he says. "The knowledge gained and connections made were incredible, in addition to bringing home business from both international and domestic investors. Foreign investors were intrigued to place capital in the U.S. and learn more about all the different markets. We met with individuals from all over the world, visiting The CCIM Institute's booth and walking through the conference halls with our CCIM Pins and USA badges."

Williamson also notes that there was an instant and unique connection made with domestic colleagues and investors simply by attending the conference and traveling abroad together.

The Place To Be To Meet the Decision-Makers

Welch says, similar to last year, one of the big takeaways from MIPIM is that the decision-makers attend this conference. "It is a place where you meet the high-level people who can make things happen, including presidents of organizations and C-suite executives," he explains. The CCIM Institute's leaders had several meetings with various individuals and groups representing companies, countries, and organizations, including FIABCI and RICS. "There are opportunities here to strengthen relationships not only internationally and build a stronger global brand, but we have opportunities to establish stronger relationships with NAR and many of the REALTOR® associations," adds Welch. ■

C5 + CCIM Global Summit

The CCIM Institute and the National Association of REALTORS® are partnering on the second annual C5 + CCIM Global Summit, Sept. 17-19, 2024, in Hollywood, FL.

This year, the partnership is enhancing education and expanding international representation. Attendees can hear the latest on commercial real estate trends from industry titans, thought leaders, and subject matter experts, all while connecting with key players, including other CCIMs.

Attendees can engage the entire commercial network, from financing and development to sales and property management. There will be more than 20 economic development corporations in attendance and more than 225 companies will be represented, plus 93% of attendees report annual transaction volume of more than \$5 million.

CCIMs can present their projects to key players and partners ready to negotiate. This creates an opportunity to showcase properties and commercial real estate investments while gaining direct access to professionals and projects that could lead to significant market investments.

The CCIM Institute is hosting the C5+ CCIM Global Summit's Global Luncheon on September 18. "Typically, this luncheon

has been an event that we have held at our Annual Governance Meetings in the fall, but we have since switched it to take place at the C5 + CCIM Global Summit to make it more of a global event that our members can attend," explains Jessica Garcia, Global Programs Coordinator for The CCIM Institute.

The CCIM Institute is presenting three courses during the C5 + CCIM Global Summit, which are typically offered online through the Robert L. Ward Center for Commercial Real Estate Studies. "We're going to be holding courses live at this event," says Steve Welch, Vice President of Education for The CCIM Institute. "One of the things we commonly see is that the people who attend our courses often make contacts with whom they eventually do deals and/or business," Welch mentions.

The courses offered during the C5 + CCIM Global Summit include Building a Commercial Real Estate Consulting or Investing Business, Lease Versus Own Comparison and Analysis, and Commercial Real Estate Asset & Portfolio Management.



Scan to learn more and to register.



Additional International Events

NOVEMBER 22

The CCIM Taiwan Chapter will hold its annual conference.

NOVEMBER 25

The Korea CCIM Chapter will host a pinning ceremony for its new Designees.

New Designee Stories

Members make a significant commitment in their pursuit of the CCIM Pin, which adds a special significance to completing this journey. Their dedication not only impacts them personally but also their families and colleagues. The path toward the Pin is filled with countless stories. The stories shared below offer just a glimpse into the experiences of two out of the 166 new Designees who were pinned in April 2024.



Robert Sherwood, CCIM

Can you share your journey toward achieving the Designation?

When I started my real estate career in December 2018, I dove into learning and networking. I knew I was going to pursue my CCIM Designation, so I worked for the first year to start getting deals in my portfolio; then, I joined The CCIM Institute and the Central Texas CCIM Chapter in the fall of 2020. I took my first Designation course, CI 101, in January 2021. I took a break and finished CI 102, CI 103, and CI 104, in consecutive months in 2023. I made the decision to take the exam in April 2024, and here I am!

Take us back to when you learned you passed the exam. How did you feel?

After leaving the exam room, I felt I had bombed the test. I had in my mind that I had a strategy of 4.5 minutes per question. I ended up ignoring that strategy and spent about 35 minutes on just one question! I panicked, leaving the room for about 5-10 minutes to gather myself, and then dove right back in. After the exam, I was informed that I passed by Hampton Friedman, CCIM, who is the chapter President. I was relieved but still wanted to see the test result posted in my profile. When it did, I was ecstatic; it was real. I accomplished one of my major goals.

How has your family supported your pursuit of the Designation?

My family has been a strong support system throughout my journey to earning the Designation. Despite my busy schedule and course commitments, my kids have actively engaged in my journey, seizing every opportunity to learn from my experiences and courses. They have shown understanding and patience, even when I had to decline other activities or events due to my course schedule.

My daughter Macy was set to have a baby around the date of the Comprehensive Exam. Originally, her due date was set for April 17, but her doctor predicted an early delivery. I had already postponed my exam from the fall of 2023 to the spring of 2024, but I offered to wait another six months or, in the worst-case scenario, fly home on short notice from Nashville so I could be there for the baby's birth. However, Macy coordinated with her doctor to induce labor the day before I was due to leave, sparing me from stress during my time in preparing for and taking the exam in Nashville. I felt deeply touched by her understanding of the importance of my journey and her decision. I joined her at the hospital a day before leaving for Nashville, and the nurses kindly allowed me to stay beyond visitor hours until I had to leave to pack and catch an early morning flight.

How do you believe having the CCIM Designation sets members apart in commercial real estate?

Being a CCIM sets us apart by being able to look at opportunities for our clients with a view that can quickly clarify what makes an unreasonable versus reasonable ask in negotiations on a brokerage level. It also allows us to swiftly and thoroughly analyze opportunities and offer guidance on clients' feasibility for making a go or no-go decision.



Marina C. Mirolli, CCIM

What attracted you to commercial real estate and motivated you to pursue the CCIM Designation?

In 1984, my father began his career in Atlanta specializing in land brokerage, and in 1993, he founded his own company, North Georgia Land. I was just one year old at the time, and as my brother and I grew up, we asked what dad did for a living. He would casually tell us, "I sell dirt." Little did I know what that truly meant.

Land is a unique asset class that often involves family dynamics, heritage, and legacy. We have facilitated land sales to developers across various asset classes, including residential, industrial, retail, mixed-use, multifamily, office, private and public schools, active adults, and shopping centers.

As I've watched my father serve landowners for 40 years and hold the CCIM Designation for 29 years, I've always admired how he cares for each client's needs.

After five years of working in public relations and marketing, I felt the need for a change and dove headfirst into commercial real estate.

This is only the beginning for me, and I'm so proud to be wearing the CCIM Pin alongside my father!

Can you describe any notable moments or milestones while pursuing the Designation?

As a "thank you" at the end of each course, I often gifted my instructors a book I helped my father publish – "Top Dollar Dirt, 13 Proven Strategies to be a Wise Landowner." In the book, my father shares the best land management practices and strategies for leveraging politics, utilities, density, and more to increase a property's value. The key strategies are accompanied by detailed stories from his career.

This small gift often opened many conversations about the dreams some of my instructors had about working with their children. I learned about my teachers' kids over and over, which added a personal layer to our professional relationship.

I was also asked to join the Georgia CCIM Chapter Board of Directors. The people I've met by being involved with my local chapter have been a great gift!

As always, I'm reminded that this business is about so much more than just a land transaction – it's all about the relationships.

Take us back to when you learned you passed the exam. How did you feel?

I was sitting on my friend's back porch, anxiously refreshing my computer, hoping the score would appear. In a moment, there it was – 96%. I sat silently, looked around, and took three deep breaths as I wiggled my toes, wanting to solidify the moment.

Naturally, my first call was to my father. When I shared my success, he responded with unwavering confidence, "I knew you would." My mother was also on the line celebrating.

My next call was to my husband. He witnessed the late nights studying, carrying me and our household throughout the journey.

At the Pinning Ceremony, a pretty special guest was there to surprise you. Can you tell us the story?

I was about to be pinned, when Katie Sentell, CCIM, the Georgia CCIM Chapter President said, "Marina, one of your instructors wanted to Pin you, but it's a surprise, so shut your eyes."

My mind was racing, and I immediately thought, I bet it's Paul Aase, CCIM, my CI 101 instructor, or Bo Barron, CCIM, my CI 102 instructor. I opened my eyes and saw my dad standing there. My expression went from pure shock to pure joy.



I felt like the luckiest person in the room. As cameras flashed around us, I kept hugging him. Dad's proud eyes and gentle smile spoke volumes. Holding the four-lettered CCIM Pin, he pinned it on my lapel. After all, he has always been my favorite instructor. ■

The Rising Cost of

THE DEAL

High Costs Continue to Weigh on Commercial Real Estate

Inflation may be falling closer within reach of Fed targets, but commercial real estate is still feeling the pain from both higher interest rates and higher operating costs.

“Obviously, the higher interest rates are affecting the bottom line and debt service coverage ratios,” says D’Etta Casto-DeLeon, CCIM, a Director at CBRE Loan Services in Houston and The CCIM Institute’s 2024 Global President. Operational costs also have been climbing across the board on a variety of different line item expenses. Insurance costs, in particular, have spiked over the past two years, while property taxes, payroll, and materials costs are all moving higher in many cases. “If you don’t have any rent growth, that will cut into your ability

to offset some of those costs as well,” she adds.

The most significant pain point for commercial real estate is the higher interest rate environment, which is clearly impacting underwriting on financing, new construction, and investment sales. At the end of the first quarter, the trailing 12-month volume of commercial real estate investment sales activity was down 45%, according to MSCI Real Assets. On the leasing side, higher CAM and tenant improvement costs are influencing landlord and tenant decisions, impacting how deals are structured and are limiting a building owner’s ability to push net rents higher.

One of the prevalent themes in deal-making in the current environment is that sponsors need

to bring more equity to the table to get deals done. Often times, borrowers are having to put more equity into the deal and/or are having to reduce their expectations of what their sell price might be,” says Casto-DeLeon. Indeed, there are nuances depending on the location and property type. Office has more challenges, while industrial, multifamily, and retail are all still doing relatively well. “We are seeing these increased costs across the board, and that’s going to affect the value of just about every product type on some level,” she says.

Rising costs are impacting debt service coverage ratios, which in some cases can trigger certain loan covenants, such as a lender imple-

menting a tax and insurance escrow or some type of cash management agreement with a cash flow sweep. Higher costs are also having an impact on the value of a property. “That hinders a borrower’s decision on when they want to get out of a deal because not all borrowers have a hold mentality, meaning that they plan to sell the property at some point in time,” says Casto-DeLeon. If they can’t get their target sell price, they may end up holding the property longer, and that also may impact the return they are expecting to pay their investors, she adds.

Waiting for Rate Cuts

Market participants are still navigating the “higher for longer” interest rate environment. The silver lining is that further increases are likely over. “In essence, we are at a cyclical peak, and maybe we’ll begin to trend down,” said NAR Chief Economist Lawrence Yun in the “2024 Market Outlook for Commercial Real Estate”. In fact, the 10-year treasury has already shown improvement. After peaking at nearly 5% in October, the benchmark rate dropped back to 4.4% as of mid-May.

The big question is when the Fed might move to lower rates. Although inflation has come down from very high levels, it does remain persistently above the Fed’s 2% target. As of April, the CPI remained at 3.4%. The consensus view of when the Fed will move to cut rates continues to push out further in the year. As of mid-May, the CME Fed-Watch showed forecasting was a higher probability for a rate cut in September at roughly 63% versus a 37% likelihood that rates would remain the same.

A more normalized environment with higher rates has implications on property cap rates. “From that standpoint, we will continue to watch how the market views those cap rates,” says Brian Bailey, CCIM, commercial real estate subject matter expert at the Federal Reserve Bank of Atlanta. “There’s not a lot of transactions right now. So, finding an accurate cap rate and an

associated accurate property value is much, much more challenging,” says Bailey, who focuses on the commercial real estate industry in the bank supervision department.

Stabilizing Construction Costs

On a positive note, rising costs of construction materials appear to be slowing. The cumulative change in the producer price index (PPI) for inputs and bid prices for nonresidential construction for March was up a modest 1.5% year-over-year. However, contractors are still feeling the cumulative effect of increases over the last few years with the PPI that is up 39% since February 2020. In addition, the average hourly earnings for construction workers were up 4.9% in March compared to the prior year.

Some of the cost pressures that were created due to supply chain problems associated with COVID have been corrected, and commercial real estate costs are coming back down.

“I don’t see a negative movement in construction costs, whether its materials or labor, but the rate of increases is slowing down,” says Bailey.

A decline in construction starts could help to ease some of the pressure on material and labor costs simply due to supply and demand impacts on pricing.

Yet construction cost increases will vary depending on the region. “We all joke about real estate being location, location, location, and that is really the case,” says Bailey. As an example, mul-

tifamily has seen very robust new supply across Sun Belt markets such as Nashville, Charlotte, and Austin, which is resulting in some near-term softening of vacancy and rental rates and slowing of new construction starts.

“There are pockets in the United States that are benefiting from either the slowdown, in construction costs, or perhaps the reemergence of some of the labor that had gone to other sectors to get jobs that are returning,” says Bailey. “So, there are a couple of dynamics that are influencing construction costs, but I don’t see a sizable drop in construction costs because the economy continues to remain healthy.”

Insurance Costs Have Seismic Impact

Another pain point for commercial real estate has been surging insurance costs. “We have several factors that are playing a role in current insurance costs, and they’re all having a say in the rate that’s being charged,” says Gary Sullivan, Senior Director of Emerging Risks at the American Property Casualty Insurance Association (APCIA).

One key factor is a rise in exposure values, the amount being insured, which has been driven in part by inflation and higher rebuilding costs. Generally, exposure values in the U.S. have increased by more than 450% since 1990. In addition, there are more buildings occurring in disaster prone areas. Roughly 127 million people in the U.S. now live in coastal counties, which is about 35% of the U.S. population, according to the APCIA. Climate change is another significant factor with mounting insurance losses caused by the increased frequency and severity of extreme weather events. The estimated total economic costs of direct physical damage and net-loss business interruption from global natural perils in 2023 was \$357 billion, with public insurance entities covering about one-third of those losses, according to “Gallagher Re’s 2023 Natural Catastrophe and Climate Report”.

Anecdotally, brokers are reporting that the level of increases for commercial properties appears to be slowing down, and the reinsurance market is reflecting ample capacity, which is good for insurance carriers, notes Sullivan. “There are indications that 2024 may be the year of some positive adjustment,” he says.

However, insurance is one of the few industries where rates are approved by regulators, meaning there is a lag in changes to rates.

“The rates of today are based on the losses of two years ago. So, today’s losses are going to drive the rates of at least two years down the road, if not longer,” says Sullivan.

What that means is that recent losses and persistently high replacement costs will continue to factor into future rates.

Property owners are working more closely with insurance brokers and carriers to try to get better pricing. “One area that we’re promoting as an industry is to promote resiliency in buildings,” says Sullivan. Taken preventative measures to mitigate property damage from risks related to flooding, wind, seismic events, or extreme heat can result in more favorable insurance pricing. “I would encourage any commercial property owner to reach out to their agent broker insurer and tap into those resources to see what sort of risk reducing measures they can take to help lower the premiums or control their premiums in a better manner,” he adds.

Eye on Distress

Cost pressures are occurring at a time when many owners and commercial real estate sponsors are battling softening fundamentals and maturing debt. The market is keeping a close eye on potential distress emerging, especially considering the wave of loan maturities ahead that will need to refinance into a higher interest rate environment. There is an estimated \$1.2 trillion in commercial real estate loans maturing in 2024 and 2025, according to CRED iQ and the Mortgage Bankers Association.

As the commercial real estate expert at the Atlanta Fed, Bailey is monitoring commercial real estate loan maturities and distressed debt every day. Bailey believes that the larger banks and regionals are staying on top of managing the risks within their commercial real estate portfolios. The Atlanta Fed has also been engaging with smaller banks to make sure they fully understand their geographic competency and concentration risk. Banks have been highly focused on analyzing risks within their commercial real estate loan portfolios over the past few years. First, commercial real estate portfolios were getting more attention from lenders due to the elongated growth cycle and fears of a potential recession, and then secondly due to stress that occurred during COVID. “From that standpoint, banks were going through some of the mental gymnastics and analysis of looking at their portfolios,” says Bailey.

In addition, while operating and capital costs remain front and center in the current environment, it’s important to also look at costs in the context of the current environment. Higher costs are landing in a relatively good economy. Turn the clock back a year; there was a lot of uncertainty about a possible recession. Now, those fears of recession have faded more into the background. “We still see job growth at rates that are, in my opinion, in excess of what the economy needs to create to keep up with natural population growth,”

says Bailey. The latest consumer sentiment numbers were not quite up to the level that was anticipated on Wall Street. However, the consumer has been and continues to spend. “So, I think we’re in a fairly healthy economy on that front,” he said. The performance of retail, and to a lesser degree, the industrial sector benefit directly from consumer spending.

Looking at commercial real estate specifically, office has some obvious challenges related to remote working and more efficient use of space that is going to be a longer-term dynamic that plays out. Multifamily and industrial are slowing due to the high levels of new supply that have been added to the market, but both have good underlying demand drivers. Retail has also been surprisingly strong due in part to the lack of new construction, which has resulted in higher occupancy levels. “There are some areas of commercial real estate facing a bit more headwinds these days,” adds Bailey.

Current cost challenges highlight the need to work with experienced real estate professionals across all aspects of development, investment sales, leasing, and property or asset management on the operations side. CCIMs have an opportunity to provide valuable advice to their clients and fellow CCIMs who are trying to better understand current market dynamics. “It depends on who you’re talking to, but most of the time, you’re talking to owners who need experienced CCIMs who can get the leasing, the financing, and the property management done,” says Casto-DeLeon. “You need all of those individuals on your side to give you advice on where you can get the best deal and transact in this marketplace.” ■



National Association of REALTORS® Settlement Will it Impact Commercial Real Estate Transactions?

The National Association of REALTORS® (NAR) announced a landmark settlement agreement in Mid-March 2024 that would resolve litigation brought on behalf of home sellers related to broker commissions.

Home sellers maintained that NAR's long-established rules on broker commissions resulted in excessive fees. NAR has agreed to pay \$418 million in damages and eliminate its rules on commissions, resulting in the end of the standard 6% commission for U.S. real estate agents.

The settlement prohibits offers of compensation on multiple listing services (MLS) and requires MLS participants working with buyers to enter into written agreements with their buyers. Previously, a buyer's agent could look at the MLS and immediately know what compensation was being offered by the seller.

THESE REVISED POLICIES WILL GO INTO EFFECT ON AUGUST 17, 2024

The aftermath of the groundbreaking decision is expected to have profound implications on the residential real estate industry and how it conducts business. While it's a residential-based settlement, the looming question among commercial brokers and commercial industry participants is whether it could have an impact on commercial real estate broker fees in the future.



If you have an idea for a future article or would like to be a content contributor, let us know.

There Are Differing Views

According to NAR, the settlement — like the Sitzer-Burnett lawsuit and copycat lawsuits — is focused on residential real estate transactions, leaving most commercial deals untouched. Sitzer-Burnett is a class-action lawsuit that was filed in Missouri federal court by a group of home sellers in the state against NAR and other defendants.

When asked specifically about the settlement's potential implications on commercial real estate, a NAR spokesperson told *CCIM Connections*, "Our settlement agreement is focused on residential real estate transactions. As it always has been, it is important for all real estate professionals to effectively communicate the value and expertise they bring to any transaction."

Some commercial real estate experts say it will likely be business as usual for most commercial brokers because commercial transactions have always been done differently than residential deals. One of the biggest differences is that in many markets, commercial listings appear in commercial information exchanges (CIEs) rather than MLSs, and do not include an offer of compensation. Commercial sellers are always free to negotiate commissions with buyers' or tenants' brokers.

"As a commercial real estate-focused education organization, The CCIM Institute's courses underscore how commercial-related fees are always negotiable," noted D'Etta Casto-DeLeon, 2024 Global President of The CCIM Institute, in an article in *The World Property Journal*. "Buyers and sellers negotiate any fees with each of their commercial representatives that is appropriate for the transaction. Some of the likely adjustments happening in residential real estate will take a page from these commercial real estate practices."

While some experts say the influence of the NAR settlement on commercial transactions will likely be very minimal, there could be a couple of exceptions, including condominium sales and residential agents who also do commercial deals that they find on an MLS. In tertiary or smaller markets, many

commercial listings are on an MLS because there is not enough concentration of commercial data to support a CIE.

A Contrary Opinion

However, other commercial real estate experts say not so fast. While the settlement's primary focus is on residential real estate commissions, the lawsuit's implications could extend into commercial real estate dealings.

When established commission models in residential transactions come into question, it can increase awareness and trigger similar discussions in the commercial real estate sector. This means commercial real estate professionals may need to prepare for intensified scrutiny and reassess their commission structures.

Richard Juge, CCIM and President of RE/MAX Commercial Brokers Inc. in New Orleans, says the NAR settlement will definitely impact commercial real estate transactions.

"I don't think the average commercial real estate person was paying much attention but then caught wind of this lawsuit out there," he explains. "I don't think anybody expected for there to be a judgment like it was and the size it was."

But once the announcement came out, Juge says commercial brokers started asking, "Does it affect us?" "My opinion is it is going to change the business overall," he says. Juge also notes that commercial real estate has always been a separate business from residential, and the two are different.

"It is sort of a big juxtaposition where, in some ways, you say, 'OK, we better pay attention to the lawsuit.' And then, in other ways, it is 'We have always done business differently.'" Commissions are in commercial contracts, and historically, the actual fee and the rates, and so forth, have not been disclosed in the residential contracts. It always referred back to the MLS as being the way that commissions would be shared.

"What I've heard from the outcome of the NAR lawsuit is that there were many people involved in the depositions and witnesses, who said they didn't know how much they were paying until they saw it at the closing table," he notes. Whereas in commercial real estate, it's more openly negotiated. Also, the creditworthiness of the tenants/users and buyers are different.

But Wait, There's More

That being said, "the gist of this lawsuit was about the lack of transparency, the lack of disclosure, the lack of understanding of who was getting paid what. So, all in all, isn't it good to be more transparent for the consumer?" Juge notes.

And that, Juge adds, also pertains to the commercial "consumer." The idea is a first-time homebuyer might be naive to the process, so there are certain consumer protections in place,

but "I think it is good for the whole real estate industry to have more disclosure," he says.

Settlement Comes Down to Two Main Issues

First residential brokers using the MLS won't be able to publish cooperative fees in the MLS, and effectively, this must be discussed on the front end with the seller/client regarding if and how they will pay buyer brokers.

Second, buyer brokers will be mandated to use buyer broker forms, which will bring the commission conversation to the forefront.

Commercial practitioners have used buyer rep and tenant rep forms, but Juge says even for his company, the conversation of who is paying them, how they are getting paid, and how much they are getting paid is now front and center. "We will be using tenant representation forms and buyer representation forms going forward in all of our deals," he says.

Juge also predicts that the days of dual agency are over. "It has been something that's been allowed in our business, which means I can represent the buyer, and I can represent the seller. I just need to be fair and honest and not pick a side, if you will," he explains.

If you use the legal industry as an example, attorneys can only represent one side of a deal. Juge goes on to say, "They're on one side or the other, and I see that's going to be more prevalent in our business where you're going to have to pick a side."

Lesson for CCIMs

Juge cautions colleagues to get ahead of the changes that are coming on the horizon.

"I would definitely read up on what's going on because while we all hear it's residential, in my opinion, it's absolutely going to affect the commercial side of the business as well," Juge explains.

"I don't think it's anything to fear. It's something to just be educated on and disclose, disclose, disclose. It is really all about transparency." ■



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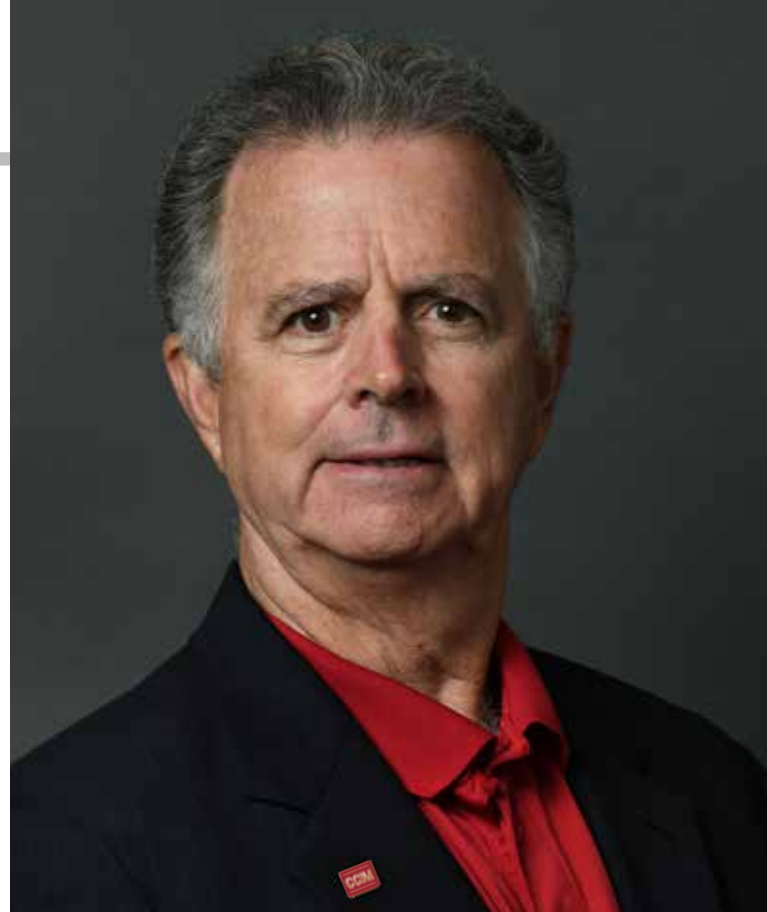
Rick Gonzalez, CCIM

FROM ENVIRONMENTAL SCIENTIST TO LAND SALES, GONZALEZ FOUND A SECOND CAREER IN COMMERCIAL REAL ESTATE.

It's not too surprising that Rick Gonzalez, CCIM, carved out a specialty in land sales. He knows more than a thing or two about dirt. Gonzalez found a second career in commercial real estate in 2002, after spending more than 20 years working as an environmental scientist.

After earning a master's degree in environmental engineering sciences and a bachelor's degree in soil science, he built an impressive resume working in the private and public sectors, including for the Department of Energy. On one of his last assignments for a private company, he helped to find a new site for a manufacturing plant in Florida. Once the factory was up and running, he realized he had worked himself out of a job.

At that time, he had a six-month-old son and felt motivated to secure a new job to provide for his family. That necessity landed him in real estate. Today, Gonzalez is a Senior Advisor at Saunders, Ralston, Dantzler SVN in Central Florida and an active member of The CCIM Institute community.



Do you specialize in a particular property type, or do you work across different sectors?

When I started in this business, I sold houses for a couple of years, but, early on, I decided to get to know who owned land, who had money, and who were the developers. My educational background was very useful in helping me evaluate land and what could be done with that land. Land sales have been about 70 percent of my business to date.

What made you want to pursue the CCIM Designation?

In 2008, the local economy was a bit slow, so I was looking for something to enhance my credibility. I saw an ad for The CCIM Institute and decided that the CCIM Designation would help me do what I was already doing, only better.

How has being a CCIM helped to advance your career?

Before earning my Designation, it was tough to get the "big dogs" to return my calls. But now, they do.

Can you share your CCIM volunteer leadership experience?

I began volunteering on the Central Florida District Board of Directors after earning my Designation in 2010. Fast forward, I was the Central District President in 2015, the Florida Chapter Vice President of Education in 2018 and 2019, the Florida Chapter Vice President of Operations in 2020 and the Florida CCIM Chapter President in 2023. I now serve as the CCIM Region 8 Vice President.

Why do you think it's important for CCIMs to be active in volunteer leadership?

The relationships you build and the people you get to know around the country, if not the world often leads to not only making The CCIM Institute better but also to new business opportunities for yourself. We're all here because of business. We want to do the best for our clients and make money. Over the past 20 years, I have had the

pleasure of completing numerous transactions with other CCIMs and receiving referrals from others. To this day, the degree to which fellow CCIMs will help you still surprises me.

What do you see as the biggest challenge in the current market, and how are you working to overcome it?

The biggest challenge I see is making projects pencil out. The cost of construction, the cost of land, and the cost of capital all contribute to very tight margins for the best projects. I'm amazed at what people pay for land these days because there has to be a margin for every step of the process. If you have a raw piece of agricultural land and you get it entitled to a certain use, you've taken it that far. Before one can get final site plan approval, one has to do environmental studies and get the applicable permits, complete traffic studies, and demonstrate how much will impact traffic patterns. They also have to complete engineering evaluations that document how they will deal with runoff and get concurrency with local school boards, etc. All those steps cost money.

Each one of those steps also adds value, but there has to be margin. All too often, people hear what a piece of land is sold for when it's completely engineered and entitled; they expect to get that for the raw agricultural land, and that doesn't work.

What do you see as the biggest opportunity in the current market?

I try to convey to landowners that expecting finished lot prices for raw land is not realistic, and if they want to realize the maximum return on investment (ROI) on their land, they should consider becoming a partner with a very reputable developer to add value to their property and get paid on the back end.

In the coming three years, what do you predict will be the next "big thing" to hit the commercial real estate industry that CCIMs should be prepared for?

Artificial Intelligence and deciphering facts from false narratives. The use of technology allows me to rapidly supply timely information to my clients. But it's my job as a CCIM to make sure that information is accurate and pertinent to our client's needs.

Apart from dealmaking, in what other ways do you utilize your CCIM network to facilitate successful transactions?

Yes, completely. If I'm going into a market where I haven't been, I'm going to find a CCIM in that market and talk to him or her to find out – what is the political environment, the physical environment, the social environment, and will a given idea for a project work there? There is a lot of knowledge within the network that we can share and tap into.

Do you have any lessons learned over your career or advice for new CCIMs that are just coming into the industry?

Do your research before you start making phone calls. Every week, I get phone calls from people who are looking for things that are outside of my market. When I first started out in real estate, I sold houses. As a scientist, I decided to do research and find out where the land was, who the developers were, and, in essence, who had money. And I tried to make a living with that knowledge. There are a lot of REALTORS® who send out a whole bunch of letters and expect a 2% return. I did it more by spending a lot of time in greasy spoon diners, getting to know the landowners.

My other piece of advice is to volunteer. I have volunteered for numerous different things over the last 14 years, including the local county planning and zoning board. During that time, I learned a lot about the process, including zoning and site planning. In the state of Florida, every parcel in the state is also subject to a local comprehensive plan, which has to be updated every 10 years. That maps out how the county or the city has decided to grow, and that document overrides local zoning. So, you might have a rezoning, which is possible, but if the comprehensive plan is something different, that's another layer that you have to alter, which is a lot harder. Volunteering is another source of information and knowledge that you can use to better serve your clients.

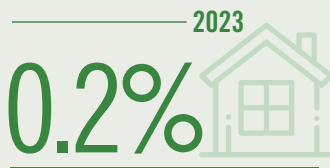
Was there anything else that you wanted to add?

I'm truly proud to be a part of The CCIM Institute. Being a member means being surrounded by individuals with expertise, integrity, and a wealth of knowledge. These traits have all helped me make more deals and more money in my career. ■

An Analysis By Ermengarde Jabir, PhD, Senior Economist

Moody's Analytics CRE

A plethora of factors are contributing to decreasing the attractiveness of deals and increasing the cost of deals that are taking place. From slowing demand across sectors to higher interest rates than those the market has become accustomed to, commercial real estate is in a period of transition.



Growth rate for the total number of households

The growth rate for the total number of households plateaued in 2023. In fact, it is the lowest positive figure ever recorded, second only to the decline in the number of households in the U.S. in 2020, which decreased by 0.1%. Excluding these two outliers, the average annual rate of growth for the number of total households is 1.7% in the post-war era (1948-present). Household formation is a key demand driver for multifamily properties and a softening in this area is expected for years to come, at approximately 1% for this year and next, before falling below 1% consistently in subsequent years – certainly a cause for a rethink in terms of the volume of apartment supply planned.



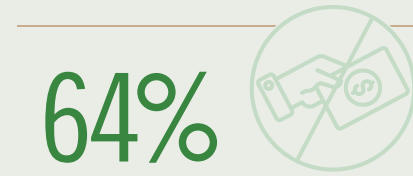
Average U.S. multifamily insurance cost per unit

The average U.S. multifamily insurance cost per unit has grown exponentially in recent years, in part due to a sharp increase in the frequency of \$1B+ natural disasters annually in the U.S.. Another headwind for the multifamily market, higher insurance costs are cutting into net operating income during a time in which apartment investors are experiencing price corrections, both in rents and values, due to numerous factors, including moderating demand and a healthy number of additional units being delivered in recent years and still under construction, as well as interest rate dynamics.



The office sector record high vacancy rate

The office sector is expected to reach yet another unwanted record high vacancy rate by year-end, as the property type's woes are likely to get worse before they get better.



CMBS office loans have not been paid off

As is to be expected, weakened office demand is having ripple effects through the capital markets, and payoff rates are bearing the brunt. Year-to-date (as of April 30, 2024), 64% of CMBS office loans that have matured have not been paid off.



Personal Consumption Expenditures Price Index (PCE)

The core PCE price index, which excludes food and energy prices (two traditionally price volatile categories), appears to have picked a number and stuck to it for its year-over-year monthly readings, remaining at this figure for an entire quarter of data (February to April 2024). Not making progress towards the Federal Reserve's policy mandate for price stability (i.e. ~2% inflation year-on-year), reinforces the likelihood, of a higher-for-longer interest rate environment.



Retail delinquency rate

Retail, a surprising commercial real estate stalwart (although perhaps not too difficult to achieve given that the sector already faced its share of corrections over the past two decades), has a relatively low delinquency rate (loans whose payments are 60+ days in arrears) – certainly lower than the office delinquency rate, which stands at 6.4% (and rising).

After years of exponential growth, the industrial sector, particularly distribution/warehouse, appears to be reaching its new steady state, with long-term annual effective rent growth and vacancy rates to be in the neighborhood of 4-6%. This is a win for a sector whose previous equilibrium vacancy rate was north of 10% in the years preceding 2021, with an average effective rent growth per annum of 2.3%.



Industrial sector steady rate

Unlock Success in Commercial Real Estate With Moody's Market Pro

It is crucial for commercial real estate professionals to have access to comprehensive data and actionable insights for success. Site To Do Business is pleased to offer the new Moody's Market Pro, a technology tool that emerges as the market-leading solution for addressing diverse commercial real estate needs.

“Moody's is my go-to commercial real estate database — it's incredibly user-friendly, allowing me to quickly find the information I need.”
— Michael Hinton, CCIM, Senior Associate | Investment Sales at APEX Capital Realty

New functionality within Moody's Market Pro includes filtering property records by loan type - such as Freddie Mac, Fannie Mae, and CMBS - while also providing loan amount, maturing date, and interest rate. This extensive data repository allows users to stay abreast of market trends, fluctuations, and emerging opportunities by utilizing this data, facilitating data-driven decisions, and strategic planning.

At its core, Market Pro allows users to keep their fingers on the market's pulse by utilizing this data, facilitating educated decisions, and tactical strategizing. Data such as location desirability, zoning regulations, and tax considerations can significantly impact returns on investment. That's where cutting-edge insights and data-driven solutions from Market Pro come into play.

One of Market Pro's standout features is its ability to provide true owner details, a critical aspect of prospecting, asset identification, and deal negotiation. Users can streamline their prospecting efforts by leveraging accurate and up-to-date owner information, identifying potential assets, and confidently initiating negotiations. This feature saves time and enhances the efficiency and effectiveness of dealmaking processes.

“Since I started Market Pro, my prospecting has leveled up, and I'm achieving better results.” — Michael Hinton, CCIM

Users can gain valuable insights into market trends and property values by harnessing historical data and market comps to assess the fair market value and optimize property pricing. This allows for optimizing pricing strategies, ensuring that properties are priced competitively to attract buyers or tenants while maximizing returns for sellers or landlords.

“The real listings, direct marketing features, and other tools make promoting opportunities a breeze.”
— Michael Hinton, CCIM

Market Pro empowers users with robust analytics tools that evaluate an asset's potential value through a predictive lens. Using predictive analytics, users can gain insights into future market trends, assess an asset's growth potential, and make thoughtful investment analysis. This predictive capability sets Market Pro apart, enabling users to anticipate market movements and capitalize on emerging opportunities.

In addition to its data and analytics capabilities, Market Pro offers users access to key insights and reports translated by commercial real estate experts into economic market narratives. These REIS reports provide institutional-grade market data from one of the most trusted names in research, Moody's Analytics.

“Nobody beats the depth of knowledge that the REIS reports within Moody's provides.” — Michael Hinton, CCIM

By distilling complex data into actionable narratives, Market Pro ensures that users are equipped with the knowledge and understanding needed to succeed in the competitive world of commercial real estate.

Market Pro is a comprehensive solution for addressing diverse commercial real estate needs. It empowers users to unlock success in the dynamic and fast-paced world of commercial real estate by offering access to extensive data, true owner details, predictive analytics, and expert insights. Whether tracking market trends, prospecting for new opportunities, or evaluating asset value, Market Pro equips users with the tools and resources needed to thrive in the commercial real estate industry.



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THE CCIM INSTITUTE FOUNDATION'S

Diversity, Veterans Open Doors, Recipients Pay it Forward



Njeri Warfield
The CCIM Institute
Foundation Diversity
Scholarship Recipient, 2022

The CCIM Institute Foundation is instrumental in providing scholarships to deserving professionals to elevate their commercial real estate careers.

The CCIM Institute Foundation Diversity Scholarship and The CCIM Institute Foundation Veterans Scholarship are dedicated to promoting diversity and inclusivity within the commercial real estate industry by providing financial support to individuals from underrepresented groups and assisting military veterans in their pursuit of the CCIM Designation.

As testimony to the significance of these scholarships, here are stories of three outstanding recipients who have either used the scholarship to earn the esteemed CCIM Designation or are in the process of obtaining their Pin. They're giving back to their local chapters and making meaningful contributions to the industry.

Njeri Warfield's first exposure to commercial real estate was her mother, Jan Warfield, who was a real estate agent in the 1970s and 1980s in Austin, TX.

However, it wasn't Warfield's initial career path. She started as a disc jockey at just 13, working at her family's community radio station KAZI-FM, which was committed to addressing issues important to Austin's minority communities and introducing jazz, hip hop, and R&B to the city's airwaves.

During her 25-plus-year media career, Warfield began flipping houses. In 2017, however, she left media and made the leap to commercial real estate by launching Atlanta-based SkyRise Property Management Group LLC, focusing on investment and development.

Warfield was introduced to Project REAP, which works to attract and train professionals of color in the industry, by Quinn Green, who was REAP's Co-Local Planning Director.

"I wanted to know more. I wanted to be

a part of it," she says.

The Georgia CCIM Chapter partners with REAP to offer a Mentorship Program, which was Warfield's introduction to The CCIM Institute.

She applied to the mentorship program and was accepted; her mentor was Richard Slaton, CCIM. Warfield went on to serve as Project REAP's Regional Director of the Southeast Region I, doing programming for Atlanta.

Additionally, one of her instructors with REAP was Atlanta-based developer Integral Group focused on revitalizing and enhancing urban communities, which Warfield works for in addition to SkyRise.

"I was just floored by the diverse group of people I got to meet who were already in the business," she says.

Warfield took the opportunity to apply for The CCIM Institute Foundation's Diversity Scholarship, and she says her career steamrolled from there. "I was attending the Georgia CCIM Chapter's monthly meetings and networking. I met some of the most amazing people and it inspired me to continue to want to expand upon what I already knew about commercial real estate."

The scholarship helped fast-track her career. "It was an opportunity to get the education, experience, and exposure in a shorter period than it would have taken had I paid for it on my own," says Warfield.

Now she gives back by serving on the Scholarship Committee for the Georgia CCIM Chapter.

If the chapter calls, "I say, 'What do you need? OK. I'm there,'" she notes. "I understand the opportunity that I've been given. For racial or ethnic minorities in commercial real estate, it hasn't necessarily been a closed door but a very obscured door. Had I listened to my mother, I would have been in the industry probably 30 years ago, but she knew that I didn't have a relationship with it other than through her. And to a 20-year-old who's in media, real

estate lacks allure."

"But that's the thing," she continues. "What I have understood for some time is that the exposure and opportunity need to be expanded and heightened so that more young people of color understand real estate is an avenue for wealth, influence, entrepreneurship, and opportunities for independence and just a different perspective on life."

Warfield uses her platform and voice to encourage future entrepreneurs from diverse backgrounds looking to enter the industry. She's hoping to change the environment for women and diverse-led companies while providing more opportunities in real estate.



Brian Perry, CCIM
The CCIM Institute Foundation Veterans
Scholarship Recipient, 2021

Brian Perry, CCIM, is a U.S. Army officer veteran who served from 2003 to 2010. His military career included deployments to Guantanamo Bay and Iraq.

After serving, Perry says, "I really wanted to figure out the civilian side of things." Education has always been integral to Perry, so he earned a master's degree in business administration from Boston College and went on to work as a financial analyst in New York City.

"That was my idea of transitioning out of the military," he explains.

However, one day, a military recruiter got in touch with Perry. "I was just scrolling, and the communication from the recruiter mentioned something about commercial real estate," he explains. He was intrigued.

"I really didn't know what direction I was going to go in," Perry states. But in 2020, he went to a brokerage in Washington, D.C., which was specifically recruiting veterans. It was a great mentoring opportunity, and he became a Commercial Real Estate Specialist.

That was the beginning of Perry's real estate career. He joined Commercial in February 2023, specializing in medical office space in the DMV (D.C., Maryland and Virginia).

Meanwhile, Perry built relationships and networked through the Mid-Atlantic CCIM Chapter. A CCIM Designation had always been important to Perry, but early on, he was busy building his business.

"Early in your career, you think, what can I do to separate myself?" Perry notes. "I feel like it's the stable marker to have The CCIM Institute as part of your experience because it shows you're committed to

educating yourself and being among the few that go through the education and receive the Designation."

Then Perry discovered The CCIM Institute Foundation's Veterans Scholarship.

"A CCIM member messaged me, 'Hey, Brian, you should apply for The CCIM Institute Foundation's Veterans Scholarship,'" he says.

"I was thrilled. There was no way early in my career that I could have prioritized that. That was a big deal because I felt as though people knew I existed," he explains.

Perry applied, received the scholarship through The CCIM Institute Foundation, and completed the CCIM Designation in 2022.

He's now giving back by serving on the Board of the Mid-Atlantic CCIM Chapter. His focus is on CCIM promotion.



Jeremy Glore
The CCIM Institute
Foundation Veterans
Scholarship Recipient,
2023

Born and raised in Atlanta, Jeremy Glore played baseball before playing professionally for the Monterey Amberjacks in Monterey, CA.

Following his baseball career, he joined the U.S. Army National Guard in 2019 as an Information Technology Specialist and is still serving. In fact, the 28-year-old just signed another three-year contract, saying it's an honor to serve the country.

After going through his military training, Glore earned his real estate license in Georgia with eXp Realty. Soon after, he relocated across the country for a career opportunity.

"A friend who I played college baseball with had been doing commercial real estate for five or six years and his aunt for 30-plus years,"

explains Glore. "He said, 'Come out to Las Vegas and learn from us.' I took them up on that, and I've been in Vegas ever since."

Today, Glore is a Commercial Associate with The Junge Group, eXp Commercial where he specializes in tenant/landlord representation and investment sales of industrial assets.

Glore joined the Southern Nevada CCIM Chapter in 2023, and the scholarship chair mentioned The CCIM Institute Foundation's Veterans Scholarship to him. Glore applied and received the award. He says he's grateful as the scholarship will cover the cost of his courses as he pursues his CCIM Designation. "Every class I've taken so far, I make sure I stand up and mention that I received the scholarship," Glore says.

Glore recognizes some similarities between the Army Reserves and commercial real estate. "Discipline is huge, mainly because, as a commercial real estate agent, you work your own schedule," he explains. "Time management is another big one. It's being able to prospect and handle your clients simultaneously because, as most agents know, time kills deals."

Glore also encourages others to pursue the CCIM Designation. "I believe that if you're in the commercial industry, and you're taking this career seriously, you should definitely begin obtaining the CCIM Designation," he explains. "Achieving the Designation grants you credibility and expertise. It enhances your knowledge, offers practical experience, and provides opportunities to network with successful professionals across the industry." ■

Driving The CCIM Institute's Growth Through

GLOBAL EDUCATION INITIATIVES



The Taiwan CCIM Chapter has held one course so far this year, with six more courses planned for the rest of 2024. Meanwhile, the Canada CCIM chapters have held five courses to date in 2024, with six additional courses planned for the remainder of the year.

The Importance Of Global Collaborations For Education

The CCIM Institute also has education partnerships, including one with the Leiden Business Academy in China, which has held one course so far this year, with three courses scheduled for the remainder of 2024.

CCIM's Poland partners have held one course so far in 2024, with three courses scheduled for the rest of the year.

"We partner with the Polish Real Estate Federation in Warsaw," says Jessica Garcia, Global Programs Coordinator for The CCIM Institute. "We have been partners for many years. They have always been a consistent educational provider for The CCIM Institute and try to hold a Core Concepts Review and Comprehensive Exam every other year."

Turkey is The CCIM Institute's newest education partner. The CCIM Institute is connected with Turkey through the NAR Global Ambassadors, which put Welch in touch with the Mekik organization (Mekik.org) in Istanbul, Turkey.

The NAR Global Ambassadors have been wide open for The CCIM Institute to leverage their resources and help expand the organization's reach when it comes to international educational opportunities.

"We've been working more closely with the NAR Global Ambassadors' group, and we're hoping to leverage more relationships like that to ensure that we're coordinating with their commercial groups and provide educational value to them through our affiliate relationship," explains Welch.

CCIM's Turkey partners have hosted three courses in Istanbul so far this year, and five more are scheduled for the remainder of 2024. ■

"Our international approach has changed in the last few years," explains Stephen Welch, Vice President of Education for The CCIM Institute. "We used to be focused on trying to build membership and chapters. We now flipped that model so that we're leading with our educational programs trying to generate interest and an awareness of what a CCIM is and the quality of education The CCIM Institute provides."

2024 is a Busy, Productive Year for International Education

The Japan CCIM Chapter has held two courses offered through The CCIM Institute so far in 2024. Additionally, the Core Concepts Review and a Comprehensive Exam are scheduled for this summer during the CCIM Japan's Annual Conference. CCIM Japan, along with IREM Japan, hosts this event annually. During the conference, there will also be a pinning ceremony for the new Designees.

"We currently have 29 students studying for the Core Concepts Review and the Comprehensive Exam," says Welch. "We're looking forward to pinning our next class of CCIM Designees in Japan."

CCIM Japan has three additional courses scheduled for the remainder of 2024.

The CCIM Korea Chapter has held one course so far in 2024, with three courses planned for the remainder of the year. The Core Concepts Review and Comprehensive Exam are scheduled for October 2024.



In Response to Industry Needs,
The CCIM Institute Launches

NEW COMMERCIAL REAL ESTATE CERTIFICATE PROGRAM

Continuing its role as a pacesetter, The CCIM Institute is developing its first-ever certificate program called the Introduction to Commercial Real Estate Certificate. The program launched this May and will serve the entire commercial real estate community.

"The certificate is intended to provide an introductory educational pathway for any individuals who are interested in gaining knowledge or proficiency in the commercial real estate world," explains Derek Beacher, The CCIM Institute's Ward Center Manager.

Beacher notes that the certificate is also a way for early career professionals or professionals who want to transition from residential real estate to learning the basic concepts of commercial real estate.

While the CCIM Designation will always be the gold

standard for the top tier of commercial real estate investment specialists, The CCIM Institute recognizes that many professionals working in the industry will not qualify for the Designation. This certificate program is an opportunity for educational and professional development in commercial real estate for those individuals.

"This is a certificate, not a designation," Beacher explains. Earning the Designation requires proven, tested, in-depth knowledge, experience, and proficiency in a variety of areas, including financial analysis, market analysis, decision-making, and investment analysis. Meanwhile, the Introduction to Commercial Real Estate Certificate is the first step to building a base knowledge."

The certificate speaks to the agility of The CCIM Institute as an organization, Beacher goes on to say. "We recognize there's a need, and there's a gap in what we're offering. So, if there's a need and a gap, let's fill that gap. Let's provide this pathway."

The certificate will focus on proficiency in several core concepts, including financial analysis tools, negotiation strategies, and standards of practice.

"We felt it was time to revive this entrance point into the world of commercial real estate," says Beacher. We're at a point in the industry and the economy where more real estate professionals are interested in learning about and gaining skills and experience in the various commercial real estate sectors. They might work in a smaller market where there are not many people practicing commercial real estate, and they might need a base knowledge to do their jobs."

Beacher also says the certificate program benefits current members of The CCIM Institute and the community. For example, it provides local chapters with the opportunity to broaden their educational offerings to help satisfy the certificate requirements. It also could guide new members toward the CCIM Designation.

"Additionally, the certificate provides education and knowledge to commercial real estate professionals who don't have the high-level experience," Beacher says. "They might have some experience, but it's not high level. We help everyone involved in a deal when all parties are well-versed in the business of commercial real estate. It's just going to benefit everybody, and we're excited." ■



Fostering Global Business Relationships

Megan Eu, CCIM, has strong business relationships with the Chinese and Japanese markets. She's Vice President of Boutique Brokerage Great Earth Realty in Bellevue, Wash. The company is owned by her father, Larry Eu, CCIM. Her mother Lien Ma, CCIM, CRRP, is also actively involved. The company is fluent in English, Chinese, Mandarin, Vietnamese, Cantonese, and Taiwanese. Great Earth has built up a strong clientele of international, national, and regional brands.

The majority of what Eu focuses on is retail and restaurant sales/leasing. A significant part of her business is clients bringing their international restaurant or retail business to the U.S.

"In recent years, I've seen an influx of business owners from China," Eu says. "They moved to the U.S. and want to start a restaurant or retail business here. Many owned a business or family restaurant in China."

Eu recognizes cultural differences in doing business with Chinese clients.

"Many times, they will negotiate things but not really so much on paper," Eu explains. "They make the connection first, and then you talk about business, so it's understanding some of the cultural implications."

Eu is fluent in Mandarin Chinese and Japanese and is also working with CCIMs in Japan to drive more U.S. investments into Japan.

"Japan is a very good state for investment now because of the low currency rate," she explains. "Interest rates are really low, and the regulations for foreign investment are not very strict compared to the U.S."

Eu's family is very involved internationally. Larry Eu is Past Chair of The CCIM Institute International Activities Committee and has international relationships including being a business partner with several Taiwan members of The CCIM Institute.

"It's that connection between referrals and working not only with Taiwan and Japan, but also South Korea," Eu notes. "And even though China doesn't have a CCIM chapter, they have CCIMs, and we connected with a few when they were in Seattle last fall."

The CCIM International Activities Committee hosted CCIMs from Japan, Korea, Taiwan, Canada, and China at The CCIM Institute's Annual Governance Meetings in Seattle in 2023.

What Eu loves most about her work are the "cultural aspects of being able to meet different people and help them with their real estate needs, especially small businesses," she notes. "It's helping them essentially make their dream come true of what they want their store or restaurant to be."



International Connections Run Deep

The real estate sector in Asia is experiencing diverse demands across different countries, presenting opportunities for U.S. and Asian collaboration. "In Taiwan, the primary demand is for flex space and industrial warehouses," states **Carole Tam, CCIM**, Broker/Owner of TAC Brokerage and Consulting, LLC in Richardson, TX. Taiwan faces a shortage of industrial warehouses, pushing prices high.

Japan's urbanization trends and aging population have led to a need for single-family residences (SFRs) and modern office spaces, as well as industrial warehouses for logistics and e-commerce. "For investors who do not have more than \$ 500,000 to invest in commercial real estate, they chose to invest in the single-family residence," says Tam.

"WELCOME TO TEXAS" BUS TOUR

Tam will be sponsoring the first "Welcome to Texas" bus tour during The CCIM Institute's 2024 Annual Governance Meetings to build a strong connection between international brokers/investors and Texas and bring business to the state. "It's very important to build relationships and invite people in person," she notes. "We're excited to host this "Best of Texas" tour so we can share the beauty of Texas. The majority of business owners we spoke to have never been to Texas and this is a wonderful way of showcasing the opportunities in the state."



Foreign Investors Help Fuel Canadian Investment Activity

Raman Bayanzadeh, CCIM, has his finger on the pulse on foreign investment in Canada. He's Principal at Royal LePage Sussex in West Vancouver, British Columbia. His areas of expertise include commercial, industrial, development, leasing, hotels, investment, and office. This year, he's The CCIM Institute's Regional Vice President – Region 12 – Canada. He's in constant contact with both Canadian CCIM chapters and served as President of CCIM Western Canada in 2020.

"There's a huge amount of foreign investment in Canada, either direct or indirect," Bayanzadeh notes, adding that a significant portion is in Metro Vancouver.

In fact, nearly 50 percent of all commercial real estate investments in

Vancouver last year were driven by foreign investment.

"For a lot of buyers here, at some point, their source of money is partially coming from somewhere else," he explains. "A lot of money in Vancouver is from Asia, Iran, and India. They have strong communities here, so a lot of the purchases are through those monies."

One of the largest transactions in 2023 was Germany's Deka Group acquisition of two downtown Vancouver office towers for \$223 million.

Toronto also experienced strong activity when Fort Worth, Texas-based TPG acquired a 75 percent interest in two Toronto-area industrial parks through a deal that values the portfolio at \$970.5 million.

Ethnic diversity is integral in Canada's foreign investment activity, particularly in Vancouver and Toronto.

Under its Immigration Plan, Canada is looking to welcome 500,000 new immigrants annually in the coming years – the highest levels in its history. As the population grows, so does demand for housing and commercial real estate.

"Canada is extremely diverse, and there are a lot of new immigrants, so even if it's not direct foreign investment, it's indirect," Bayanzadeh explains. "It's people who became immigrants in the last five, 10 or 15 years but still a source of their money is coming from Iran, China, India, and the U.S."

Of course, challenges exist in Canada's capital markets – like all global markets.

"We're experiencing a decline," Bayanzadeh notes. "Last year was actually one of our worst years, but that's something that was global." He points to high interest rates and inflationary pressures.

And yet, Canada still outperformed. While global capital markets experienced a 47 percent decrease in investment activity in 2023, Canada only saw a 15 percent decline.

According to one CBRE executive, "the crazier the world gets, the better Canadian commercial real estate looks to investors." Perhaps, it's due to its history of attractive risk-adjusted returns and strong economic fundamentals.

"Whenever we see other places in the world see some instability, we see money flow to Canada," says Bayanzadeh. "Whether it's Eastern Europe, China, Iran or the Middle East, you name it."



Education is the Cornerstone of Successful Business Practices

With nearly four decades of experience, **Walter L.K. Lui, CCIM**, is well-versed in foreign investment activity in the Canadian real estate markets. In fact, as Broker of Record at Nu Stream Realty (Toronto) Inc. Brokerage, he's training his brokers specifically on the ins and outs of foreign investment.

Holding training sessions twice a month, 20 to 25 brokers are attending each session – proof of the robust interest and high volume of foreign investment in Canada.

Lui provides case studies of real situations with current listings. Several of his brokers have Asian backgrounds and are working with foreign investors, especially from their home countries, where they may have connections and relationships.

"But they may not all have the experience," Lui notes.

Lui educates his brokers, so they can educate their clients. "We need to make sure that clients understand our rules and regulations, because a lot of them come from different countries, and they're used to their own laws and bylaws," he explains. "When they come to Canada, they have to understand our local laws and bylaws and have to comply."

The brokers can educate international clients on the rules of investment in Canada because they have different returns and cap rates in their own countries.

Lui's educational efforts are aiding in transactions. One of his agents has a client who originated from China that purchased an office building in Scarborough, a district of Toronto, Ontario, for eighteen million Canadian dollars. The deal is in the due diligence period. The challenge was the building is nearly 20 percent vacant, and previous potential buyers had trouble obtaining financing because the vacancy is so high.

"However, my agent's client is a user that will take one full floor for their own business, so that occupies the remaining vacancy. That's why the seller accepted their offer, and they cut a good deal," says Lui.

As the world becomes increasingly interconnected, the expertise and network of CCIM professionals serve as invaluable assets in navigating the complexities of international real estate transactions. With their dedication to building bridges across borders, CCIMs contribute not only to the success of individual transactions but also to the growth and resilience of the global real estate market as a whole. ■

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