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## **President's message: Outlook for 2010 and past CCIM events**

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Well, winter is upon us, and we, here in New England have gotten away pretty easy this year. I can actually see my grass already, but if you believe Punxsutawney Phil's Groundhog Day 2010 prediction, there will be six more weeks of winter, as he did see his shadow. But how about Buckeye Chuck, Staten Island Chuck, Jimmy The Groundhog, and General Lee Groundhog? None of them saw their shadows. It's kind of like the predictions for the recovery of the commercial real estate market. It really depends on where you are. Up here in New England, although it has slowed down, we haven't been as negatively affected as the rest of the country.

I've already seen a tremendous increase in activity, as I'm sure many of you have. And according to "Ordering Your Slice of the Stimulus Pie," by John B. Levy & Co., "the New Year has ushered in an uptick in market activity for commercial real estate and investors, putting some in a position to secure stimulus bailout dollars. The mood has changed, and 2010 feels a lot better. The second half of the year promises to be better than the first." Levy said.

Even though the overall number of U.S. jobs continued to disappear through December of last year, the U.S. office market unexpectedly posted positive net absorption for the quarter. The most likely explanation is that jobs in the office sector increased. According to federal government jobs data, office sector employment increased for the fourth consecutive month in December, increasing by 48,000 jobs. Even the financial sector posted its first increase in employment since July 2007 adding 4,000 jobs in December. Since the end of August, office-using employment is up 154,000 jobs. That has to spell an even better market for us, as well. "This is simply the most important news in the office market in the last 18 months and that has set the potential for recovery in the office markets." said Andrew Florance, founder of CoStar Group Inc. in his surprisingly upbeat quarterly assessment of the U.S. office market this past week.

On another front, according to a new survey by the North American Distressed Debt Market Outlook 2010, a steady flow of workouts as commercial leases expire and investors fall into delinquency and default is expected to continue to provide distressed investment opportunities in commercial real estate, according to the survey. The largest group of respondents (41%) singled out real estate as offering the best investment opportunities, while the second-largest group (33%) gave equal weight to consumer products, financial services and the stock of large industrial companies. The interest in real estate represents a departure from last year, when just 19% of respondents indicated they would focus on real estate investment.

That said...several of the regional banks, which along with community banks are bearing the brunt of exposure to troubled CRE loans, reported smaller-than-expected fourth-quarter losses over the last few days. They also reported a general slowing in the rate of deterioration of their commercial real estate loan portfolios in the fourth quarter, with several reporting a decline in the rate of charge-offs along with signs that credit quality and portfolio performance are stabilizing.

Turning to our New England CCIM events, I want to thank our chapter vice president Jeremy Cyrier and Wayne D'Amico from D'Amico & Co. for an enlightening overview of the "New Site to do Business," in a program they presented to our chapter last month. All who attended came away with a great working knowledge of a sensational tool for the benefit of all our clients.

Watch your emails for all the upcoming educational and social events coming from our chapter in 2010. If you don't get them now, log on to [www.NECCIM.com](http://www.NECCIM.com) to sign up. Remember, nothing improves your business more than improving yourself.

Sandy Brown, CCIM, CBR, RECS, is the 2010 president of the New England chapter of CCIM and president of Cale Commercial Realty Group, North Andover, Mass.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540