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## **National Association of Realtors meetings held November 8-12**

December 13, 2012 - Rhode Island

The National Association of Realtors meetings were held in Orlando, Fla. from November 8-12. The meetings focused on the topics of governance, professional development and market conditions. As a leader of the Rhode Island Commercial and Appraisal Board of Realtors my participation had a decidedly commercial real estate focus.

Among industry leaders, Lawrence Yun, PhD, the National Association of Realtors chief economist, provided an overview of the commercial real estate market. I am pleased to share his comments with you.

At the Economic Issues & Commercial Real Estate Business Trends Forum, Yun reported that most of the major commercial real estate sectors show gradually improving fundamentals and are easily absorbing the relatively small amount of new space that is coming online, with a full recovery already in the multifamily market.

Yun indicated that the market has been slowly building momentum. He pointed to job creation as the key to increasing demand in the commercial real estate sectors. He stated that the economy is expected to grow 2.5% next year, and with modest job creation, assuming there is no fiscal cliff, the demand for commercial space will gradually rise. Yun acknowledged that the greatest friction that remains is a tight credit environment, notably for smaller properties.

Vacancy rates over the next four quarters are forecast to decline 1.0 percentage point in the office market, 0.6 point in industrial, 0.2 point for retail and 0.1 point in multifamily; however, multifamily has the tightest availability and is experiencing the strongest rent increases, well above the rate of inflation.

Yun stated that the primary factor holding back greater job creation has been uncertainty over regulations and associated costs. He added "With the elections behind us and Washington apparently resolved to prevent a fiscal cliff, it's hoped that ambiguity over regulatory issues will clear relatively soon so employers can understand the rules of the game and the layout of the field."

Overall, the conference was a reaffirming experience. The commercial and appraisal highlights were impressive and the information shared with the attendees was very valuable.

Networking and sharing ideas with NAR's commercial members and the NAR commercial affiliate organizations - CCIM Institute, Institute of Real Estate Management, Realtors Land Institute, Society of Industrial and Office Realtors, and Counselors of Real Estate from across the country gave me incomparable insight I look forward to bringing to you in 2013.

If you are interested in learning more about how the Realtors organization supports our industry, please log on to [www.realtor.org](http://www.realtor.org).

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