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## **The first quarter of 2013 was a busy time for members**

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The first quarter of 2013 was a busy time for members of the Connecticut/Western Massachusetts Chapter of the Society of Industrial and Office Realtors (SIOR). In addition to continuing to represent their clients' real estate needs in the marketplace, our members are paying attention to many issues affecting businesses in Connecticut and the region. Two developing issues that will affect the real estate industry are the Connecticut Department of Energy and Environmental Protection (CT DEEP) Transfer Act, and the anticipated changes to the Federal Accounting Standards Board (FASB) concerning commercial leases.

The chapter government affairs committee continues to monitor these and other issues, in an effort to keep our members and their clients as informed as possible.

The Transfer Act pertains to the methods and standards of reporting, cleaning, and transferring commercial property to another owner in Connecticut. The existing Transfer Act is structured around reporting environmental issues when properties are sold. Unfortunately, this complicates the resale and redevelopment of many contaminated sites. Proposed changes will adopt regulations similar to Massachusetts where environmental issues are reported and addressed when they are discovered, the standards are clearer, and the process is more streamlined.

Regarding the FASB rule change, according to AgilQuest, a leader in developing software to manage real estate, companies have some breathing room to prepare for the proposed changes. These changes center around all leases being placed on a company's balance sheet. The Board is delaying the target date for finalizing and releasing the new standards, saying they need more time to review feedback in hopes the final standards are of the highest quality.

There are other topics that give pause to business executives' plans for expanding or growing their employee base. In Connecticut and the immediate region, the economic climate continues to be slow growth, a lack of significant development projects, and very few companies relocating from other states. The governor has a 5 point program in an attempt to grow Connecticut's economy and increase jobs. The unemployment rate nationally is 7.7% and in Connecticut, 8.6%. Although this is not much of a difference, it's enough to possibly catch the eye of a company giving serious thought to moving his or her business to the area. Connecticut has over 50 higher education institutions that prepare thousands of students entering the workforce and beginning a successful career. Our objectives should be to create opportunities that will entice our educated young people staying in the region rather than leaving the State for greener pastures.

Nationally, the federal budget and the politicians in Washington have many concerned.

The international stage is fraught with many situations that have the eyes and ears of the U.S. economy on edge. These include North Korea and the threat of a missile strike, Israeli and Middle Eastern tensions, and the possible China bubble. What happens overseas has a direct impact on how many businesses operate day to day, and how many businesses make decisions. We have all

experienced firms taking longer and longer to commit and complete a transaction, which is impacted by a myriad of issues locally, nationally, and internationally.

Despite the challenges affecting our clients, we do remain cautiously optimistic that brighter economic conditions witnessed over the past year or so will continue for the remainder of 2013 and beyond.

I am also pleased to announce the chapter is sponsoring an upcoming concert to raise funds for Habitat for Humanity. On June 11th, Roomful of Blues will be performing at The Fairfield Theatre Company, with all proceeds going directly to Habitat for Heroes Veterans Serving Veterans. Please go to [www.fairfieldtheatre.org](http://www.fairfieldtheatre.org) for additional information or to purchase tickets.

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