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## **President's message: Here comes summer!**

May 01, 2015 - Northern New England

As we hit the month of May, there is a lot of optimism about commercial real estate for 2015. In the spring issue of the NAR Commercial Connections the front page headline reads, "A Broader & Brighter Outlook." If you do not have a copy of this issue, it can be downloaded from [www.realtor.org/commercial](http://www.realtor.org/commercial). Multifamily housing continues to be the top performing sector, with current rental demand exceeding supply, and apartment rents up 3.7% nationally. Office, industrial, and retail vacancy rates are all forecasted to be slightly down in 2015 overall. There are of course some potential bumps in the road coming up that can affect the outlook, namely weaknesses in the global economy, economic sluggishness overseas, and the strengthening U.S. dollar. If you are interested in learning more, please visit the commercial link above for more information.

Last month I wrote about our political advocacy efforts by our new committee, which has now been renamed as the "Public Policy Committee." As an update on our efforts, SB232 exempting Ground Leases from the Real Estate Transfer Tax (RETT), sees that bill held up at the house after the hearing. We are awaiting a decision on sending to executive committee, or to a full house vote. I hope we will have movement on that to report by next month's message.

For HB495, our efforts to align NH law with Federal RESPA, and remove the discrimination against commercial practitioners to allow referral fees, we saw very strong opposition from the NH Bankers Association. Part of the banking argument is that this will cost commercial buyers more money by passing on the cost of any fee to the buyer. There is no requirement in this bill for a bank to pay a fee, but if it does happen, it will be disclosed to a buyer in advance. A commercial broker's knowledge and understanding of the variety of loan plans available to our clients from the different banks is an advantage to our clients and does help them save money. We know we can provide valuable assistance to our clients, by taking the time necessary to pass on our knowledge and expertise about the various services and products available to them. However, no matter what we say or do, it is the banker who decides if they will issue a loan, and they who decide if they will issue a referral fee. Our fiduciary duty is to our clients, and educating them about choices is not harmful to them. It would be against our client's best interests, against NH Real Estate Law, and against our code of ethics to act in any way that would benefit us and cost our clients more money. Our aim would be to save client's money by making them aware of their choices. We will update our members on this issue as it progresses.

Nationally, there is still a threat to Section 1031 Like-Kind Exchanges, and while there are not any current bills, there is still a threat of proposals to eliminate or drastically limit Section 1031. NAR is working hard to educate members of congress on why it should be protected, and hopefully will succeed in taking the threat off the table.

Once again, I will remind you all that we really do want to hear from you, please take the time to let us know what NH CIBOR can do to help. You can help NH CIBOR too, we have many volunteer

committees who do great work for our members. And we need more of you involved, please consider joining one of our committees today. Choose a topic you are interested in and passionate about. Visit our website for the list of committees, it will be rewarding for you.

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