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December 2023 New Hampshire-CIBOR president's message - by Matthew Bacon

December 08, 2023 - Northern New England



Matthew Bacon

It has been a pleasure to serve our members in 2023, and to work with such an awesome team of directors, committee members, and leaders that have the talent, wisdom, dedication, integrity, and diligence to support the mission that Realtors stand for. I hope everyone reading this will indulge me and get to the end, because a lot has happened in 2023, and there's a call for our members, affiliates, and clients that everyone can contribute to somewhere in this issue.

Industry Update

First though, it seems nearly incumbent on me to recap some of the major events of the year, as we look back on it. Headlines and market shifts were everywhere, and though certainly there are always challenges, unknowns, and even misperceptions that can occur, this year was full of events from massive market shifts to industry-specific lawsuits and regulatory implications. In fact, part of why we're here as professional fiduciaries for our clients is to help navigate (and even help shape and prevent the potentially negative outcomes of) the things that participants in our marketplace wouldn't otherwise know. If someone could watch a 15 second TikTok and make the professionals in our industry irrelevant, it already would have happened. Now more than ever, the legal, financial, and advisory professionals in your life should be selected for their competence, integrity, and experience, because they're often the highest ROI on your expense sheet in the long run.

Our industry has faced some major shifts, including what some would call full headwinds, with the interest rate changes, transaction volume slowing, and increasing defaults. At the time I'm writing this, the U.S. 10 Year Treasury Rate has been hovering around 4.6%, while on the same day one year ago, it was at 3.8%, and 2 years ago, it was 1.5%. Transaction volume for 2022 was estimated around \$1.14 trillion nationwide in CRE, a mark we'll be pleased to hit 65% of this year based on several sources I've been reading. End-of-year transactions may see a bit of a nudge from typical cycles combined with a little pullback on interest rates since their recent peak in late September, but it's unlikely that we'll make up substantial volume on that scale to close the year anywhere near 2021 and 2022 levels. Add to that the new default filings we're seeing, and there are some storms on the horizon nationwide. Locally, however, vacancy rates have yet to spike, and overall employment and income statistics show promise and resilience.

NAR Update

The National Association of Realtors has a dedicated commercial staff here to support the industry, the public's interest, and our collective needs. As such, a proposed amendment to the code of ethics was healthily considered and debated, with consideration to the particulars and nuances that can arise, especially in a commercial transaction.

To ensure that our association, and the industry as a whole, sets self-policing standards in place to help the public we serve, it was referred back to receive due consideration and adjustment to ensure that the intent of the changes are fully reflected in the amendment. Those who provided feedback when the call went out were greatly appreciated, because the diverse perspectives and backgrounds among our membership create strength and vision to see the potential impact of policy changes far more clearly than any individual can.

Local Governance and Initiatives Update

At the local level in 2023, your board of directors tasked with oversight and governance regarding NH-CIBOR and NECPE have undertaken and made progress on some significant initiatives handed over from previous years, and some that were added this year.

Perhaps one of the most time intensive and relevant to our member's daily operations is the continuation of the NECPE service utilizing the Catylist platform, recently acquired by Moody's. With it came some changes to serve our members' interests, at the contractual and functional levels. We're pleased to announce that the integrity of the platform and its data being the property of our association, administered by and for Realtors and under the code of ethics, has been assured for some time. Additionally, the changes on the horizon will be in a platform within the same family of companies, while adding some substantial features that will increase the value, output, and efficiency that Realtors subscribing to our service will be able to provide. Catylist provides a "Test Drive" service to preview and utilize the upgrades subscribers will enjoy in the coming months, so please stay tuned for more information on that front, and when it will be available.

Some other initiatives that we have started or continued this year –

NH-CIBOR Strategic Plan Review

NH-CIBOR Website overhaul

NECPE Platform Migration

NH-CIBOR Cares fundraising and awareness

Every one of these initiatives and ongoing responsibilities will require continued support in 2024, so please consider joining the committee or task force that is assigned with this work in the coming year

Finally... the end. Almost.

As we all offer each other the best wishes for 2024, I'd like everyone to consider a call to give back, from the Tower of Toys that NH-CIBOR Cares does annually, to serving in your local community's real estate market and boards, and ultimately to the community as a whole. Serving as a volunteer has rewards far beyond the investment, and it's the foundation of our board's past, present and future. Check out the Realtors Honor Society, and pick some of the criteria in it that you haven't focused on in the past, challenge yourself in 2024, and make it an even better year for us all. Happy Holidays and wishes for 2024!

Matthew Bacon is the 2023 president of the N.H. Commercial Investment Board of Realtors, Bedford and is senior advisor at Anagnost Realty & Development, Manchester, N.H.