



Washington State
Commercial Association of
REALTORS®

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**2009 National
Meetings and Events
Calendar**

FORUM 2009

Online Registration

April 15
Commercial Real Estate
FORUM 7.5 CE Hrs
Washington State
Convention Center
Seattle, WA
7:30 AM to 4:30 PM
[Registration Form](#)

April 20-24
CCIM Mid-year Business
Meeting
Ft. Worth, Texas
CCIM Institute
[Click to Register](#)

April 30-May 2
SIOR Spring World
Conference
San Diego, CA
Society of Industrial and
Office REALTORS® (SIOR)
[Click to Register](#)

May 11-16
NAR Mid-Year Legislative
Meetings & Trade Expo
Washington, DC
[Click to Register](#)

WSCAR Wire

Quarterly Newsletter - First Quarter 2009

A Message From Your WSCAR President

Welcome to the first edition of the WSCAR newsletter designed to keep members updated on WSCAR activities. Since the early 1990's, WSCAR has worked to provide members services designed to specifically benefit commercial Realtors®, including: lobbying activities, political action efforts, continuing education/classes targeted for commercial practitioners, and access to Realtor® benefits via organizations such as Washington Realtors® (WR) and National Association of Realtors® (NAR).

Your annual WSCAR dues of \$441 is divided between NAR (\$115.00, 27%), WR (\$182.00, 41%), and WSCAR (\$144.00, 33%). All three organizations provide tremendous political clout on a national, state and local level. Due to the size and energy of the residential Realtor® community, it is not an exaggeration to say all WSCAR members get an exponential benefit from their involvement as a Realtor®.

With the struggling national economy and our state government seeking to balance its budget, WSCAR will be busier than ever for the next few years on behalf of its members. Our goal is to influence legislation by getting involved at the early stages of the process and recent examples of WSCAR's success are abundant. It seems likely that the Legislature will be targeting our industry for new sources of income (i.e., taxes!) so we will be keeping a watchful eye on proposed legislation.

WSCAR is your organization, working on your behalf. Please consider active involvement on a committee or on the Board of Directors. Feel free to contact me with any questions, feedback and concerns you may have.



Mike Livingston
WSCAR President
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[Meet Mike](#)

What Would the Commercial Real Estate Industry Look Like WITHOUT the REALTOR® Organization?

- Capital Gains: Taxation on the gain realized on real estate and other investments taxed as ordinary income
- Federally Chartered Banks in Real Estate: Who would need a broker when lenders can represent clients in sale and lease transactions?
- Terrorism Insurance: The value of office buildings could have plummeted following 911 without the availability of Terrorism Insurance when lenders won't lend on unprotected properties
- Leasehold Improvements: Depreciation schedules for leasehold improvements would be calculated over a 30 year rather than 15 year period.
- Sales Tax: Real Estate licensees would pay an 8% sales tax on their earned commissions (\$4000 on a \$50,000 commission)
- Real Estate Excise Tax: The tax in our State would be .065% higher (an additional \$34,000 on a \$5,000,000 sale)
- B&O Tax: The B&O Tax charged in our state would be higher by one-third
- License Reciprocity: Licensed commercial real estate practitioners may not be able to practice commercial real estate in other states without being licensed in each state they provide commercial real estate services.

Legislative Status Report Bob Mitchell, WSCAR Lobbyist

Here's a quick overview of the significant events affecting the commercial real estate industry from Olympia as we prepare for the final six week of the 2009 Legislative Session.

[HB 1420](#) dealing with the Seller Disclosure Requirement has passed the House and was heard on Tuesday, March 17th in the Senate Financial Institutions/Housing/Insurance Committee. This is our priority legislation for the commercial Realtors® to

We value your input.
To send your comments
about this newsletter,
please [e-mail us](#).

2009 WSCAR Board Members

Mike Livingston, President
Kiemle & Hagood

David Magee, Sec/Treasurer
Cushman & Wakefield

Michael Roy, Past President
Neil Walter Co.

Bob Mitchell
Governmental Affairs
WA Realtors®

Bill Almon
Almon Commercial RE

Don Arsenault
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MCG Real Estate Consulting

Dave Elliott
Northwest Corporate RE

Robert Hansen
RE/MAX Community Realty

Michael Schoonover
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narrow the definition of "unimproved residential real property", and eliminate the need to provide a seller disclosure form for purely commercial transactions.

In addition, we've been on the defensive this year to defeat many bills that would require burdensome and costly procedures dealing with climate change, specifically [HB 1490](#) and [SB 5687](#). These bills would have mandated that climate change become a required element in the Growth Management Act. We were also fortunate to work with many stakeholders in the multi-family housing community to defeat [HB 1766/ SB 5672](#) which would have required landlords to accept Section 8 vouchers, and [SB 5923](#) which would have required landlords to deposit tenant security deposits in an interest bearing account to support low income housing. The focus of the next six weeks will be the 2009-2011 Operating Budget and how to address the projected budget deficit of approximately \$8.5 billion dollars. We'll do our best to communicate a "DO NO HARM" message regarding tax increases.

EFFECTIVE IMMEDIATELY, THE DISTRESSED PROPERTY LAW HAS BEEN REVISED

We are pleased to announce that [SB 5221](#), the Distressed Properties Law Fix, passed the legislature unanimously and has been signed by the Governor. This legislation provides resolution to the unintended consequences of the distressed properties law passed last year. There is now a general exemption for all real estate agents and brokers who provide real estate services pursuant to the Agency Law. "With this bill, we will have overcome an important hurdle on the path to reviving our housing market," said Greg Wright, President of Washington REALTORS®. "Being able to help homeowners prevent foreclosure is a real key to stimulating the real estate market and critical to economic recovery".

DO NO HARM TO REAL ESTATE

Amazingly, against all odds, it appears that we successfully stopped several measures that would have caused negative impacts on real estate. REALTORS® were able to keep them from moving forward prior to the legislative cut-off. REALTORS® secured enough votes against Real Estate Excise Tax Use legislation ([SB 5630](#), [HB 1744](#), [SB 2249](#)) that would have diverted funds away from much needed roads, water and sewer projects needed for our growing communities. Due to its volatility, the REET cannot be relied upon as a source of ongoing funds for maintenance and operation of existing facilities and service.

Education Alert - 30 Hour Certificate Program

Online Green Broker Certification

CBA ([Commercial Brokers Association](#)), in partnership with the [Cascadia Region Green Building Council](#), has launched an online Certified Green Broker education program for commercial real estate professionals designed to train brokers to adequately counsel clients on sustainability business practices. The Certified Green Broker course website is [www.greenbrokereducation.com](#). The program consists of 10 comprehensive three-hour seminars presented in an interactive, online format. The course commences with green building basics and continues onto in-depth subject areas such as the development of green leases, the valuation of green buildings and land use laws. Brokers learn the benefits of green leasing to both landlords and tenants including tax incentives, return on investment and reduced energy costs.

The course is being offered at an introductory rate of \$750 per course through May 2009. After June 1, the retail price is \$975. Supporting industry organization members will receive 10% off retail and companies buying 10 or more courses for their brokers and agents will receive 15% off each course.

For more information call CBA 425.820.3348



Legal Assistance HOTLINE Information:



The Legal Assistance HOTLINE is a service for members of the Washington REALTORS®. It is funded through your dues. There is no additional charge for individual members calling the HOTLINE. The HOTLINE provides legal information, not legal representation. It offers answers to real estate questions that have broad applicability. The HOTLINE will not represent any party in a transaction. Your own attorney will continue to be an important part of your business.

For more information about the hotline [click here](#), call 1.800.562.6027 or email legalhotline@warealtor.org

Stimulus Proposal Update

NAR, RCA push White House, Congress for Real Estate Stimulus Following the NAR annual Conference and Expo in Orlando last fall, NAR's commercial members called for immediate action and the development of a commercial economic stimulus plan. After much debate, the following 3-point plan was developed to guide NAR's on-going efforts to educate and offer solutions to policymakers. The 3-Point Commercial and Investment Real Estate Economic Stimulus Proposal includes the following goals:

- Goal 1:** Stabilize and provide liquidity to the commercial real estate credit markets, including mortgage-backed securities
- Goal 2:** Maintain or enhance federal tax policies that strengthen the commercial real estate market
- Goal 3:** Stimulate and support the commercial real estate industry through investment

For a complete review of the goals, issues and solutions, [click here](#)

Time to Invest in REITS

As reported recently in Bloomberg, it may be time to consider real estate REITS again. Jay Paul Leupp, a portfolio manager at Grubb & Ellis, talks about investment opportunities in real estate investment trusts' preferred shares. He also shares his comments on the outlook for the commercial real estate market. [Watch the Video...](#)

T
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R
P

What is TARP? The Troubled Assets Relief Program (TARP) is a federal program established to purchase assets and equity from financial institutions in order to strengthen the financial sector. A five-person Congressional Oversight Panel chaired by Harvard law professor Elizabeth Warren, was appointed to assure that TARP funds are appropriately distributed. On January 9, the panel, in a report, questioned the scope of the Treasury's statutory authority. The panel wants more definition of "financial institution" and "troubled asset" and hopes the Treasury will provide its assessment of whether those terms cover other businesses, such as commercial real estate, manufacturers and other businesses not directly involved in financial services.

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