

HUNT[®]
Since 1911

COMMERCIAL

HUNT COMMERCIAL ADVISOR

“How Much Longer? Are We There Yet?”



GREGORY M. OEHLER, MBA
CHIEF OPERATING OFFICER

A message from Gregory M. Oehler, MBA
Chief Operating Officer

How many of us have heard our children ask this question when traveling? It never fails...less than an hour from our destination, one of my young daughters would ask “How much longer? Are we there yet?”

Today, many real estate professionals are asking this same question. The “*there*,” varies depending on who you ask. For some, “*there*” might mean...” Have we hit the bottom yet? For others, “*there*” may mean... “Has the recovery begun yet?” I believe the accurate answer depends on which sector of commercial real estate you’re referring to.

Overall, the driver in our economy has been, and always will be jobs and job creation. Unfortunately, however, the national unemployment rate remains at 9.8%. The rising U.S. dollar in the first quarter of 2010 against foreign currencies limited the global demand for U.S. products. The lack of demand, in turn, prevented U.S. businesses, U.S. manufacturers in particular from expanding by adding jobs. Subsequently, the dollar slowly began to fall throughout the year, thereby, narrowing the trade deficit and, in turn, creating a sense of optimism that job growth was just around the corner.

Indications point to the U.S. economy adding jobs in 2011. If that occurs, then we may well be on the road to getting “*there*.” If significant numbers of jobs are added to the national economy, we may begin to see the vacancies in retail, industrial and office sectors all start to fall. The data supports the premise that 2011 could be a good year.

Continued on back cover



CELEBRATING 100 YEARS

HUNT Real Estate Corporation is celebrating its 100th completed year in business. Founded in 1911 by Charles Stanley Hunt, HUNT has been a family-owned business from the beginning. Today, HUNT is owned and operated out of its headquarters in Buffalo New York, by Peter F. Hunt, the third generation in his family in this role.

Throughout the years, HUNT has strived to provide our clients and customers with the best possible experience when it comes to buying or selling real estate. Today, the company is ranked 17th in the nation and operates 31 residential branch offices, four commercial brokerage offices, the administration and education center, title agency, mortgage company, two insurance agencies and two fee-for-service brokerages.

As HUNT enters its second century of service, the company remains committed to its Western New York roots while continuing to seek expansion opportunities around New York and the nation. HUNT currently operates offices in Buffalo, Rochester, Syracuse and Albany New York as well as Sarasota, Florida and Phoenix, Arizona.

Join us in celebrating our 100th year in business as a local family owned and operated business.

The Basic Rules of a Deferred Exchange

Written by Russell J. Gullo

The following are the basic rules that pertain to "Deferred Exchanges" under Section "1031" of the Internal Revenue Code. The primary benefit of a Deferred Exchange today, is the ability to PAY NO TAX when disposing of investment or income-producing real estate.

1. Both the Relinquished Property and the Replacement Property must be held for Business (income producing) or Investment purposes.

2. The Relinquished Property and the Replacement Property must not be Property you sell to customers, such as merchandise (inventory). It must be Property held for Investment or Property held for productive use in your Trade or Business. Property that would not qualify would include Real Estate that Dealers hold for sale to customers such as a Builder, or property that people flip.

3. There must be an exchange of "Like-Kind" Property. This concept pertains to the nature or character rather than the grade or quality. Some examples include, an Apartment Building for a Shopping Center, a parcel of Land for a Rental Condo, a Rental Duplex in Buffalo, New York for three Single Family Rental Homes in Tampa, Florida.

4. The Relinquished and Replacement Properties must be tangible Property. These rules for Property deemed of a "Like-Kind", do not apply to exchanges of stocks, bonds, notes, choses in action, certificates of trust or beneficial interest, or other securities or evidences of debt or interest,

or the exchange of partnership interests.

5. The Replacement Property must meet "Identification Period", requirement. The Property to be received must be identified on or before the date that is 45 days after the date you transfer the Relinquished Property.

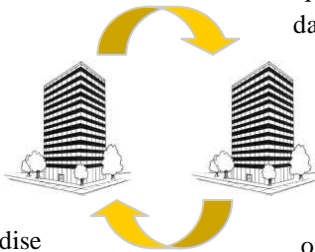
6. The Exchange must meet the completed transaction "Exchange Period", requirement. The Replacement Property must be received on or before the earlier of: - The 180th day after the date on which you transfer the Relinquished Property, or - The due date, including extensions, for your tax return for the year in which the transfer of the Relinquished Property occurs. In addition, to these six requirements there are other areas of a Deferred Exchange that need to be addressed.

Owners of Business (income-producing) or Investment held Properties who are looking to dispose of their Property and have it treated as Deferred Exchange, need a Professional Qualified Intermediary to facilitate their Real Estate Exchange. When choosing a Professional Qualified Intermediary you

should find one that has the proper training, experience and has a successful track record in performing Real Estate Exchanges.

The Professional Qualified Intermediary works together with the taxpayers (seller) Real Estate Agent, Attorney/Title Company and Accountant/CPA in structuring their Real Estate Exchange. A Real Estate sale can be amended (changed) to a Real Estate Exchange any time before the closing (conveyance of legal title) without the cooperation of the buyer of the taxpayers property.

Today, you have the opportunity to take advantage of the "Best Kept Secret In Real Estate, - Real Estate Exchanges" as long as you follow the rules of the game.



-Russell J. Gullo, CCIM, CEA, is a certified exchange advisor and president of R. J. GULLO & CO., INC., which is a national "qualified intermediary" for real estate exchanges. In addition, He is the founder of the American Institute of Real Estate Exchangors, the Director of Operations for the Russell J. Gullo School of Real Estate Investment Studies and the President of the Buffalo Investors & Exchangors Group. Mr. Gullo can be reached at (716) 675-1500 or ccim@rjgullo.com.

Looking for an "Investment Under Par"

Golf Season is right around the corner and what better time to start thinking about investing then now! HUNT Commercial Real Estate agents, Rolf Bruckert & Barbara Carlsen have the largest inventory of golf facilities of any single broker in Upstate New York and have

access to information on hundreds more. If you are interested buying or selling a golf course facility, please

contact Rolf Bruckert & Barbara Carlsen. With over 45 years in combined experience in the golf course industry, you can be sure you are working with "pro"s.



Barbara Carlsen
(585) 953-7385



Rolf Bruckert
(315) 935-3244

Congratulations!



HUNT Commercial Real Estate is proud to announce that agents Colleen Brennan & Stephen Hunt have been re-elected as officers to the Board of Directors of the WNY Chapter of the New York State Commercial Association of Realtors (WNY NYSCAR).

Colleen has been an active member of WNY NYSCAR since 2006. She served as Director from 2007-2009 and currently holds a three year term from 2010-2013. She was also appointed Secretary for 2011 for the second time, holding this position for a two year term from 2008-2009. Steve Hunt was a founding member of the Commercial Division of the Buffalo Niagara Association of Realtors, which later became WNY NYSCAR. He was President for five years and has served as Controller since 2008.

HUNT would like to congratulate Steve and Colleen for their hard work and dedication to WNY NYSCAR.



HUNT Commercial Real Estate would like to welcome the following agents:

Buffalo, NY



Karen Loffredo joined HUNT Real Estate in 1995 and HUNT Commercial in 2010. Karen has been a top agent with award winning recognition. She has experience in all facets of the industry including commercial, residential, investment and REO marketing and sales.



Daniel Farrell joined HUNT Commercial in March 2011. With a background in financial consultation and business ownership, Dan is sure to be an excellent addition to HUNT Commercial.

Syracuse, NY



Paul Roach joins HUNT Commercial with more than 50 years experience in the Commercial Real Estate Industry. Paul specializes in commercial development and investment properties.

Albany, NY



Daniel Formica is the newest addition to the HUNT Commercial Team. He is a former business owner specializing in restaurants and multi-home properties.

HUNTransactions

31 Hopkins Road, Amherst, NY – Sale of 3,520 SF office building from DJL Enterprises to Andrew Hunt.
-Christopher Fetter/Steve Hunt

395 Fillmore Avenue, Tonawanda, NY – Sale of a 44,450 SF industrial building from Uniland Development Partnership of Delaware to Schwebel Baking Company.
-Jane Munro

203-07 E. Seneca Street, Manlius, NY – Sale of a 4,200 SF restaurant from Limestone Trust to Jing Yu Ni.
-Dana Crocker

1837 Love Road, Grand Island, NY – Sale of a 1,500 SF convenient store w/fuel from Buffalo Supply Company, Inc. to Rajinder Kumar.
-Thomas V. Gentile

1756 State Street, Schenectady, NY – Lease of 1,400 SF of retail area from CDS Ventures to Jamal Hussan.
-Elliott Rosen

13 Lafayette Street, Buffalo, NY – Sale of a 6,923 SF office building from Christy Sapone and Joe Monaco to The Spaulding Group.
-Christopher Malachowski

85 Allen Street, Rochester, NY – Three year lease of 4,621 SF of office space between Buckingham Properties and Avalon Copy Centers of America.
-Clarke E. Thrasher

Just Listed!

Former Hopevale School

56.83 +/- acre site for sale. Formerly operated school with onsite housing, this unique property offer many possibilities. Present buildings can be adapted for senior housing, student housing or offices.

Freestanding school of 42,249 SF was formally leased by the Hopevale School District and sits on 15 acres. Balance of land can be acquired separately or with school.

Property is located adjacent to heavily traveled Southwestern Boulevard. The Average Daily Traffic Count is 21,426 cars. Please call listing agent for more detailed information.



Fred Occhino
716-880-1918

Continued from front cover

So, are we “there” yet?...

Let’s look at the various sectors in the commercial real estate market, and then you decide.

The **industrial** market has been slow, but there are signs of recovery. If the jobs our economy so desperately needs materialize, the industrial sector will come off “life support” in 2011.

Multifamily, as Buster Poindexter’s song says, will be “Hot Hot Hot.” National trends indicate that the expansion this sector experienced in 2010 will continue into and thru 2011.

The **office** sector appears to be a mixed bag. Some markets remain in a recessionary mode, while others have moved into the recovery phase. Overall, it appears the cycle for this sector may be improving in most markets. The oversupply, which built up over the last few years, seems to be lessening and this sector is beginning to move into the recovery phase of the cycle.

Nationally, the **retail** sector is showing signs of recovery. Even with the announcement of the Borders reorganization, the oversupply of the last two years has diminished and many markets are demonstrating recovery.

Last but not least, **hospitality** is evidencing signs of gradual recovery. Current data indicates, occupancy is increasing, the average daily rate and the revenue per available room is also increasing. Full service hotels and well known brands are seeing increases in volume and room rates. As the U.S. economy recovers, so will corporate travel, which will help to fuel this sector’s recovery.

So to answer the questions, “How much longer?” and “Are we there yet?” the answer, I believe, is we’ve probably seen the bottom. The recovery is certainly not happening as quickly as we’d all like, but it appears to be in an upward slope of slow and measurable improvement.

The question remains, now, however, “How long will this continue?” As far as being “there,” barring any major U.S. or worldwide economic crisis, we could see gradual and steady improvement for all of 2011 and possibly beyond. I don’t see the U.S. commercial real estate market returning to the robust years of 2006-2007 anytime soon, but, the downward spiral appears to have vanished and recovery is on the horizon.

Finally, I welcome everyone to visit our website, www.huntcommercial.com. I encourage all visitors to register and utilize all the benefits our website has to offer. I also welcome your comments at hunt@huntcommercial.com or goehler@huntcommercial.com.



COMMERCIAL

HUNT COMMERCIAL ADVISOR

Buffalo Office
403 Main Street
Suite 105
Buffalo, NY 14203
Phone: 716.854.5943

Rochester Office
189 North Water Street
Suite 200
Rochester, NY 14094
Phone: 585.244.8057

Syracuse Office
8196 Oswego Road
Liverpool, NY 13090
Phone: 315.622.5040

Carthage Office
60 Franklin Street
Suite 3
Carthage, NY 13619
Phone: 315.493.2442

Albany Office
418 Broadway
3rd Floor
Albany, NY 12207
Phone: 518.426.5211

VISIT US ON THE WEB
WWW.HUNTCOMMERCIAL.COM

hunt@huntcommercial.com

ALWAYS THERE FOR YOU.

Gregory M. Dehler

Chief Operating Officer
HUNT Commercial Real Estate
goehler@huntcommercial.com
716.880.1915

Since 1911

HUNT Commercial