



NEW YORK REAL ESTATE JOURNAL

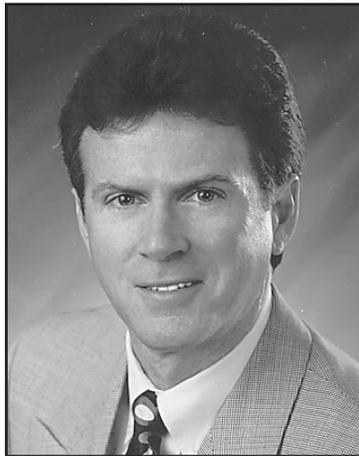
Tuesday, April 13, 2004

COVERING THE ENTIRE STATE OF NEW YORK

By Richard Will, Hemisphere Holdings Corp.

When dealing in the apartment brokerage sector, monopoly is still the name of the game

I have been brokering primarily apartment and multi family properties as a specialty for nearly twenty-five years in markets ranging from Houston and Washington, DC in the eighties to Syracuse and all of upstate New York since 1987. They say if you live long enough you will see everything. I do not believe that but in the past five years I have witnessed something that I thought I would never experience. Back in the late seventies to early eighties I cut my teeth in this industry in the free wheeling Texas real estate boom, where for about eight years anything you touched turned to gold. Investors flocked to our markets from all parts of the country and the world for that matter. They bought up land, office buildings, retail centers, and Yes apartments! It was a virtual land rush of opportunity and this was my indoctrination into the business of commercial brokerage. However, all good things eventually come to an end.



Ten years into my tenure as the upstate New York apartment specialist still did not prepare me for what I have witnessed these past five years. Our market place has become the new playing board for Monopoly the like which I have not experienced since those glorious days back in Houston. The convergence of low mortgage rates, fiercely competitive lenders, non-recourse loans, investor friendly tax-deferred exchange laws, and a still iffy stock market have created an atmosphere highly favorable for continued investment in our under valued real estate. Reflecting this

dramatic increase in activity are the following sales stats in the upstate areas we track: From year 2000 through 2003, the number of apartment sales increased 42%, 21%, and 90% respectively over their previous years. At the same time, average Cap Rates decreased steadily from over 15% down to 11%. Thus far 2004 is averaging about 10% and we are seeing more sales dropping into single digits.

Evidencing the wide spread appeal of our market, the Apartment Players here are as diverse as the Monopoly tokens used in that classic American game. Among others they include: REITS, LLCs, women, mom & pops, various foreign & ethnic partnerships, and out of staters. An abundance of cheap financing, lower prices, higher cap rates, and available local management are continuing to attract investors large and small no matter the distance. As a broker and facilitator I stand at GO and send them on their way to land on their prizes.

Years in the business does

grant you perspective and the opportunity to catalogue the blunders and masterstrokes committed by the players in the game. Here is a lesson we all learned as kids playing Monopoly: "Never build a hotel on Baltic Avenue", or bargain hunters try not to make a silk purse out of sow's ear. That advice is still good today. Whether you are a Boardwalk turnkey buyer, a Baltic Ave bargain hunter, or a bottom line formula buyer akin to the fixed returns of the Railroads & Utilities, there are few real hazards in the Chance cards in our market place these days except not doing your homework. Surround yourself with the finest experts available who should include: an attorney, accountant, lender, construction inspector, and your broker expert. Well-chosen advisors will keep you fully stocked with Get out of Jail Free cards. We'll see you when you pass GO and I'll be wearing the Top Hat.

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