



Commercial Real Estate Services, Worldwide.

tel 609 945 4000
fax 609 945 4001
www.naiglobal.com

4 Independence Way
Suite 400
Princeton NJ 08540

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Ms. Nancy Morris, Secretary
Securities and Exchange Commission
100 F. Street NE
Washington, DC 20549

Comments on File No. S7-26-07: Notice of Application of the National Association of Realtors for Exemptive Relief under Sections 15 and 36 of the Exchange Act and Request for Comment

Dear Ms. Morris:

New America Network, Inc. t/a NAI Global ("NAI Global") is the world's largest managed network of commercial real estate brokers. World-wide, there are over 8,000 commercial real estate professionals (licensed brokers, sales agents and others) working out of 375 offices in 55 countries. NAI Global has local offices in 48 states in the United States. Each NAI Global local office is locally owned and managed and the principals of each such office are intimately familiar with the details of their local market. In 2006, NAI offices handled some 36,000 transactions, with a total transaction value of more than \$40 billion. NAI Global offices handle investment transactions as well as commercial transactions for property users and developers and represent investment buyers and sellers as well as landlords, tenants and other users of property. NAI Global offices annually handle billions of dollars of investment transactions and are experts in the practical, financial and economic details of investment real property transactions. NAI Global is, and many of its local offices are, commercial members of the National Association of REALTORS® (NAR). I am writing in response to the Commission's request for comments on NAR's exemption request referenced above. NAI Global joins in the NAR comments and comments further, as set out below.

NAI Global strongly supports the effort by the NAR and Commission efforts to facilitate the involvement of highly qualified commercial real estate professionals in transactions involving the purchase and sale of tenant-in-common (TIC) interests in real estate. TIC interests have been determined by the Internal Revenue Service to be real estate interests for the purposes of like kind exchanges under Section 1031 of the Internal Revenue Code. Therefore, many real estate investors look to TIC investments to complete a tax-efficient transaction as part of the investor's

overall investment strategy. The growth of TIC investments has likely been limited due to the market uncertainty concerning whether such investments were properly treated as “securities” or as real estate. While this is not necessarily a one-or-the-other situation, the action of the Commission to remove uncertainty and provide a roadmap for the regulatory treatment of TIC investments will bring more certainty to the area and facilitate efficient transactions, while fully protecting investors.

The financial characteristics of a TIC investment are those of a real estate investment; and the investment itself is evidenced with a deed, rather than a share or debt certificate. Investment real estate brokers licensed by the state in which they practice and experienced in the financial and economic analysis of investment properties are well able, and perhaps best able, to understand and explain the details of the risks and rewards of investing in a particular income-generating, managed depreciating asset. An experienced investment real estate broker is likely to be more familiar with the analysis of TIC offerings than a securities broker who deals in a wide range of investment products and vehicles.

The Substantial Experience Definition is Adequate:

The Commission’s definition of substantial commercial real estate experience, in the context of the other requirements of the exemption, will ensure that consumers receive thorough real estate analysis as they consider TIC securities. Commercial real estate transactions, by their nature, require commercial real estate professionals to analyze the income-generating potential of the property compared to its asking price, as well as numerous other important characteristics of the property, within the context of the local real estate market. Because the underlying asset of a TIC security is real estate, investors would benefit from that same analysis.

NAI Member professionals typically have broad and extensive real estate experience in commercial real estate; and many focus exclusively on investment transactions, typically involving the purchase and sale of entire office buildings, multi-family buildings or retail centers. The values involved in the purchase and sale of these facilities typically far exceeds those transactional thresholds set in NAR’s exemption request. NAI Global understands that many commercial real estate professionals may have the knowledge and skills to evaluate different classes of real estate, while acknowledging that specific commercial transactional benchmarks are necessary to advise on TIC securities. In addition, the CCIM (Certified Commercial Investment Member), SIOR (Society of Industrial and Office Real Estate) and ALC (Accredited Land Consultant) designations require both significant analytical course work and transactional benchmarks related to commercial real estate. In response to the Commission’s requests for comment, we do not believe that there is a need to also define “predominantly engaged” in the sale of real estate or that the exemption could create an incentive to sell TIC securities instead of non-security real estate given the requirements for “substantial experience in commercial real estate” and the other conditions of the exemption.

The Buyer Agent Agreement is Not a Regulatory Burden:

Buyer agent agreements are common in commercial real estate brokerage. Through such an agreement, the client secures the services of the commercial broker, as well as provides an indication that the client is serious about purchasing commercial real estate. The disclosure requirements enumerated in the proposed exemption do not propose any new significant burden on the commercial real estate professional and appear designed to assist in implementing the exemption and assisting in monitoring for compliance. In certain cases, the disclosure requirements relate to the existence of facts that would normally be disclosed in a buyer's agent agreement, including the fee structure, real estate services to be provided and the other commercial real estate professionals who may also provide real estate services and share in any part of the fee. The agreement may also include new disclosures relevant to carrying out the purposes of the exemption. Since a real estate closing involves the delivery of many types of real estate documentation, there is no significant additional burden that would be imposed by requiring the delivery to the lead placement agent at the closing a copy of the buyer's agent agreement along with a statutory disqualification representation.

The Proposed Exemption Correctly Reflects How Commercial Real Estate Professionals Become Aware of the Availability of TIC Securities.

NAI Members know their markets and are often aware of commercial properties available for sale or which may become available for sale shortly and the buyers who are or are likely to become active in the market. In addition, NAI Members regularly represent clients who are considering selling real estate, but who require a replacement property to conclude a like kind exchange under Section 1031 of the Internal Revenue Code. NAI Global currently facilitates such transactions by improving communication between and among its Members, so that an NAI Member in one location with a client seeking a replacement property to purchase can more readily locate such a replacement property, whether it is located in the investor's local market or elsewhere. Upon the implementation of the NAR Exemption, commercial real estate brokers will be better able to learn of more replacement property opportunities, thereby improving the depth, transparency and efficiency of the market.

Typically, the real estate investor client represented by an NAI Member is a highly sophisticated investor, often a real estate professional or engaged in real estate investment or development as a primary occupation. These clients rely heavily on the NAI Member to locate investment properties and advise them on the relative risks and expected returns of such investments. As such, this sophisticated investor is interested in not only identifying the property offering the best return in a particular geographic market, but is also interested in locating more remote investments, both to diversify location risks and to identify higher return regions. By allowing commercial real estate brokers to participate in TIC transactions, these goals may be more readily reached.

If a client has entered into an amended buyer agent agreement and expresses an interest in a particular TIC security, NAI Member offices will be in a position to contact a licensed securities broker or the sponsor and find out how the fractional interests are being brokered. If the property is a TIC security, I can ask a broker dealer representing the sponsor for basic summary real estate information on the property for my client to review. Depending on how the TIC security is offered, the broker dealer may feel compelled to ask to see the buyer agent agreement prior to sharing summary property information.

NAI Global urges the Commission to approve NAR's exemption request promptly. We believe that the approval of the NAR exemption request will improve the efficiency of the market and will provide more than adequate protection to investors. Thank you for the opportunity to comment.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Edward J. Finn', with a long horizontal flourish extending to the right.

Edward J. Finn
Executive Vice President & General Counsel