



Nancy M. Morris, Secretary  
Securities and Exchange Commission  
100 F St. NE  
Washington, DC 20549-1090

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

Dear Ms. Morris:

On behalf of the over 500 commercial real estate and affiliated professionals that comprise the Commercial Association of Realtors® - Wisconsin (CARW), I am writing in response to the SEC's request for comments on NAR's exemption request referenced above. We are a part of over 70,000 commercial members of the National Association of REALTORS (NAR).

As real estate professionals engaged in commercial real estate transactions, we understand how important it is for clients to receive real estate services as they consider commercial property purchases. The commercial real estate professional is obligated to serve the best interest of the client and is generally only compensated when a real estate transaction is closed. Clients often ask that we analyze a number of properties of varying asset classes, markets, size and price before they make a purchase offer or decision. With the growth in the Tenant-in-Common ("TIC") segment of the real estate market in recent years, clients increasingly have asked for an analysis of property subject to TIC ownership structure. The proposed exemption would enable commercial real estate professionals, under certain circumstances, to provide real estate services on those TIC properties that are considered to be a security and to compensation for providing those services.

The Substantial Experience Definition is Adequate:

We feel strongly that the definition of substantial commercial real estate experience 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, consumers would benefit from that same analysis.

Many real estate professionals have broad and extensive real estate experience encompassing both residential and commercial real estate, and will often shift their focus between the two as market conditions change. In setting transactional thresholds NAR's exemption request recognizes that many commercial real estate professionals 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 SEC's requests for comment, we do not believe that there is a need to also define "predominantly engaged" in the sale of real estate nor 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 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.

As commercial real estate professionals, we know what's happening in our market, and often in surrounding markets as well, including commercial properties available for sale and in many cases who is considering purchasing what real estate. If our clients have entered into an amended buyer agent agreement and express an interest in a particular TIC security, we are able to contact the sponsor and find out how the fractional interests are being brokered. If the property is a TIC security we 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, we understand that the broker dealer may feel compelled to ask to see the buyer agent agreement prior to sharing summary property information.

Again, on behalf of our membership, I urge the SEC to quickly approve NAR's exemption request. Thank you for the opportunity to comment.

Sincerely,

Andrew Jensen  
Chairman of the Board