

President's Report

Dear CCIM Institute Colleague:

Like all commercial real estate organizations, the CCIM Institute undoubtedly felt the effect in 2009 of what was considered the worst recession since the Great Depression. Course enrollments and membership levels were certainly affected by the economy and the resultant capital markets crisis. However, CCIM Institute leadership and staff assessed all potential threats to the Institute, acted judiciously and prudently, and made the difficult decisions in order to anchor the organization from a position of strength heading into 2010.

With Designee levels down less than 3% of nearly 10,000 CCIMs, the designation could be used as a barometer for those truly committed to the commercial real estate industry. And with an overall increase in membership over the past five years of 17%, CCIM members recognize the value proposition of the CCIM designation and program.

Key accomplishments for the year were many. CCIM subject matter experts spent hundreds of hours rewriting, refining, and redesigning the core course curriculum to maintain its reputation as the industry's best. More than three years in the making, the brand new curriculum is designed to build your critical thinking skills, accelerate your understanding of commercial real estate analyses, and provide you with the power and benefits of the advanced CCIM Decision-Making Model. More curriculum cohesiveness and greater efficiencies with online courses and flexible scheduling will maximize the CCIM education experience in 2010.

A Memorandum of Understanding was signed with the Royal Institution of Chartered Surveyors that will have immediate and long-range benefits to both the CCIM Institute's international program and its courses through this unique reciprocity agreement.

The CCIM Institute has the best dues-to-benefit ratio in the industry, with technology like STDB Online and all of its new value-added content, and CCIMREDEX, the revolutionary online commercial property data exchange that will launch March 31, 2010. Both of these products are wholly-owned by the CCIM Institute.

The Robert L. Ward Center for Real Estate Studies, which was launched in 2007, is gaining momentum and delivering excellent workshops and webinar-based training. Many corporate and association joint ventures are being pursued to further improve the reach and depth of topical continuing education.

In all, CCIM members receive and can take advantage of more than 40 specific member benefits that can be extremely valuable to you as a commercial real estate professional. Members are the most valuable component of the CCIM Institute, and we strive to provide new and enhanced benefits to add value for your dues dollars. If you haven't already taken advantage of these excellent benefits, now is a great time to start.

On a final note, in 2009 I visited more than 45 CCIM chapters and all of them recognize the great benefit of CCIM and the great value of a mere \$595 per year. Your 2009 Management Team of Richard Juge, CCIM, Frank Simpson, CCIM, Chuck Connelly, CCIM, Susan Groeneveld, CCIM, Rhonda West, CCIM, Joe Larkin, CCIM, Karl Landreneau, CCIM, and I have enjoyed working with each and every one of you in leading this great organization. We look forward to many years of continued success.

Respectfully,

Charles A. "Mac" McClure, CCIM, FRICS, CRE
2009 President

Financial Review

For the year ending December 31, 2009, unconsolidated Institute operations resulted in a Net Loss of \$774,214 versus a revised budgeted Net Loss of \$87,429.

Actual Total Overall Gross Revenue was \$12,244,063 or \$1,211,798 lower than planned levels. Both Cost of Goods Sold and Indirect Expenses posted favorable budget variances and offset the revenue shortfall to some degree.

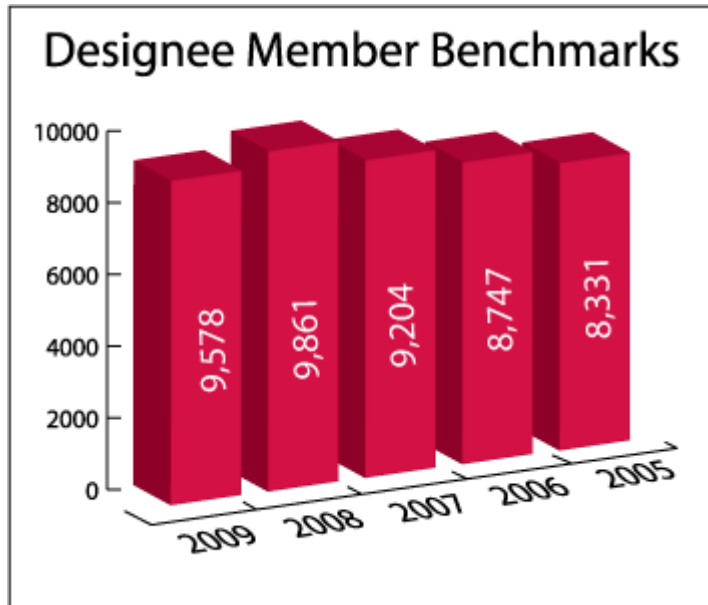
For 2009, Education operations generated Revenue of \$4,449,765 which was \$862,097 lower than budget. With the exception of Direct Delivery, all major Education revenue categories fell short of their budget targets.

Membership activities posted revenue of \$7,635,263 or \$307,485 lower than planned. Significant Membership Revenue variances were incurred by Advertising Revenue resulting from decreased CIRE ad space and banner ad activity; and Meetings and Conferences due to lower attendance at the annual Success Series conference with IREM, and cancelled Partner's Program events.

Membership Review

The CCIM Institute recorded a total of 16,557 members at yearend 2009, a decrease of 2,237 from 2008. The number of designees totaled 9,578 and the number of candidate members totaled 6,960. Additionally, there were 19 members in other categories.

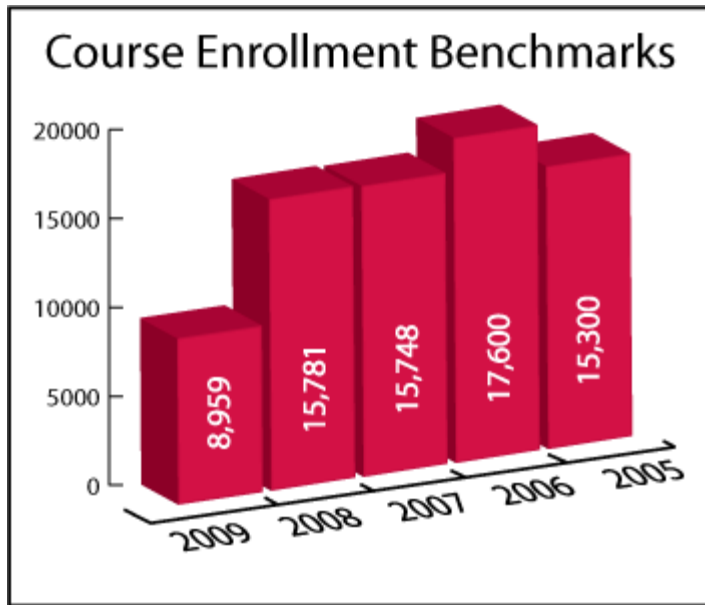
In October 2009 in Honolulu, Hawaii, 109 commercial real estate and allied professionals earned the CCIM designation. An additional 432 practitioners earned the designation in the spring and summer of 2009, with another 145 awarded the CCIM pin internationally in South Korea, Taiwan, and China. In all, 686 practitioners earned the designation in 2009. While the most recent five-year growth cycle shows a slight decrease in designee numbers in the last year, the number of professionals holding the CCIM designation has increased 13% since 2005. This is testament to the value placed in the CCIM designation and program, especially in the current market climate.



CCIM Education

While course enrollment declined 76% in 2009 to 8,959 students in comparison to 2008, cumulative CCIM course enrollment since 2005 is more than 73,000. This is evidence to the quality of CCIM education. Moreover, after three years in the making, the new CCIM curriculum will formally debut in 2010 and is designed to give students more actionable results that can be applied immediately to their business practice. All courses are more student-friendly and user-centric and relate to the same decision-making models. Each offers more cohesiveness among the CCIM core competencies of financial analysis, market analysis, user decision analysis and investment analysis. Several data sets from the Site To Do Business are being incorporated into the new curriculum as well.

Through the popular Life After the Pin program, designees have the opportunity to experience the new core curriculum at a greatly-reduced tuition.



Complementing the CCIM core courses in 2009 were several offerings from the Robert L. Ward Center for Real Estate Studies, including the center's popular Troubled Assets Workshop, which helps students manage, dispose of, and profit from distressed real estate. The next generation of Advanced Negotiations Workshop teaches how to communicate in the most efficient, strategic, and compelling manner possible for the best result. Additional topics offered included cost segregation, Excel-based applications, financial feasibility, strategic planning, and technology.

Several online course deliveries provided students with education where they needed it, and when they needed it, cutting travel costs and time out of the office. Whether a student's learning preference is in-class or online, workshops or web conferences, the CCIM Institute is delivering the most significant changes in its education programming in more than a decade.

CCIM Technology

Access to business-building technology for designees and candidates remains vital to members' ongoing success and supports the institute's core values. After two years of research and planning, in 2010 the CCIM Institute will debut CCIMREDEX, a new property data exchange platform that will revolutionize the way CCIM members do business. A free member benefit, CCIM REDEX offers brokers the advantage of entering data only once before it's published in local, regional, and national listing services, giving properties more exposure in less time. CCIMREDEX will be fully integrated with the Site To Do Business (STDB), CCIM's number one member benefit that offers all the site analysis, financial analysis, and marketing tools CCIM members need to work smarter and faster.

The institute's "technology tools stimulus package" made four tremendous resources available to every member through STDB in 2009. Members now have unlimited access to these online benefits: Pictometry oblique aerial images, which create a lifelike three-dimensional view so that users can see land features and structures clearly and in their entirety; an enhanced set of Express Packages geared to key property types as well as niche sectors such as seniors housing and self-storage facilities; data and

information sources on submarkets and comparisons to other submarkets; and advanced annotation tools to provide users with a more effective way to identify information on street, aerial, and hybrid maps. The value of these enhancements alone is thousands of dollars, but they're included in your CCIM membership.

Research Initiatives

The CCIM Institute understands the importance of market and member research and its influence on strategic planning. Research allows the institute to benchmark its programs, while adapting to the changing landscapes of the industry. The largest program undertaken in 2009 was the biennial survey of CCIM membership. Additional research activity included the following topics: STDB Canada; ccim.com; annual business meetings; networking; China students; Intro and CI 101 student profiles; professional standards; corporate/government task force; and Success Series 2009.

Commercial Investment Real Estate Magazine

Consistently rated one of the top CCIM member benefits, *CIRE* magazine has won almost 50 publishing awards, including five in 2009 honoring its editorial content and overall excellence. In late 2009 *CIRE* redesigned its format to emphasize its prominence as one of the few industry magazines exclusively devoted to commercial investment real estate. CCIM members continue to recognize *CIRE's* quality and value, calling it "an excellent resource for all real estate professionals." [Click here](#) to read the latest issue of *CIRE* magazine.

Cultural Diversity Education Program

The Institute continued with its commitment to diversity within the ranks of CCIM members and the industry in 2009 and registered its best year yet in terms of new students taking the CI Intro course. In 2009, 267 new students experienced CI Intro, an increase of 10% over the previous year. Courses were held in eight markets, including Atlanta and Washington, DC. Diversity students utilized 146 tuition discounts, which allowed them to attend designation courses at a slightly reduced price. Five diversity students obtained the CCIM designation in 2009.

Legislative Advocacy and Public Policy

The CCIM Institute is strongly committed to legislative advocacy. Through its affiliation with the National Association of REALTORS®, the Institute is part of a legislative advocacy team that constantly monitors legislative and regulatory developments in order to shape the direction of today's policy issues. The CCIM Institute's Legislative Division tracks federal, state and local legislative activity to ensure that the interests of the commercial real estate industry are addressed at all levels of government.

On April 22, 2009, more than 275 CCIM and IREM members gathered in Washington, D.C. to participate in the 12th annual Capitol Hill Visit Day. Members representing 40 states and the District of Columbia held more than 200 meetings with their U.S. Senator and U.S. Representative and staff to voice their concerns on commercial mortgage market liquidity, energy efficient buildings, and taxes.

Key Highlights:

- Commercial Market Liquidity – IREM and CCIM Institute members urged Congress and the federal government to provide favorable relief to the commercial real estate industry through the availability of small business loans, short-term loans for capital improvements and refinancing for mortgages. Members asked their legislators to: 1) expand the financing of TALF loan to a 5-year term, 2) support new Federal Accounting Standards Board guidance on mark-to-market accounting of assets in an illiquid market, and 3) hold a hearing on the state of the commercial real estate market.
- Energy Efficient Buildings – We strongly support positive incentives for energy conservation activities and voluntary programs for energy conservation. CCIM and IREM asked Congress to support legislation that provided incentives for energy retrofits for buildings. Additionally, members urged their legislators to oppose any proposals that mandate building labeling and to oppose involving federal agencies in the development of building codes.
- Taxes-Carried Interest – CCIM and IREM oppose any proposal that would eliminate capital gains treatment for any carried interest of a real estate partnership. Members asked their legislators to oppose H.R. 1935 by Representative Sander Levin that would treat carried interest as ordinary income and to support an amendment to exempt real estate partnerships from this tax treatment.

Jay W. Levine Leadership Development Academy

The sixth class from Jay W. Levine Leadership Development Academy yielded 12 graduates in 2009: Aaron Barnard, CCIM; Anthony R. Bolling, JD, CCIM; Craig Blorstad, CCIM; Benjamin Crosby, CCIM; Ralph M. Duarte, CCIM; Jerry Hall, CCIM; Shirley K. Harpool, CCIM; Jacqueline Haynes, CCIM; John Hsu, CCIM; Robert Lee, CCIM; Chris Ramm, CCIM; Gaston Reboledo, CCIM. The academy's continued success reflects its mission: To build future leaders for the CCIM Institute and the commercial real estate industry. This mission is accomplished through organized training sessions; networking opportunities with peers, academy graduates, current institute leaders and various past presidents; and through assigned activities such as required readings and completion of a business plan.

International Programs

There was a significant decline in all international numbers in 2009. Several classes were canceled and the number of students in each class also declined. The number of students in the Korea Home Study program declined significantly. International sponsors indicated that many companies cut their training budgets in 2009 and were not paying for their employees to take courses. Collection of membership dues were also hampered by the severe downturn in the global economy.

Key Highlights:

- Total number of classroom students by year-end 2009 declined 55% from 2008.
- Number of students in the individual Home Study Program was 31% lower than 2008, and the Korea Home Study Program had 70% less students.
- Number of courses in 2009 was 41% lower than in 2008.
- Classroom courses were offered in Egypt, Japan, Korea, Mexico, Poland, Russia, and Taiwan. Only CCR was offered in China in 2009.
- Total number of new international designees in 2009 was 145: 16 in China , 83 in Korea, and 46 in Taiwan

- Number of paid international designees at year-end 2009: 520 (20% less than in 2008)
- Total number of international members (designees and candidates): 645 (19% less than in 2008)

Despite the above figures, and as result of major cuts in expenses, the International Department posted a Net Revenue of \$15,600 from course royalties, comprehensive exams and portfolio grading. Additional revenues of approximately \$38,800 came from membership dues, for a total of \$54,400.

RERC/CCIM Investment Trends Quarterly

The RERC/CCIM Investment Trends Quarterly (ITQ) online report is the CCIM Institute's official perspective on the commercial real estate market. The ITQ offers insightful narratives with national economic information and statistics, cap rates and major real estate indicators, absorption and vacancy forecasts, national sales data for five major property types, real estate investment conditions ratings, and exclusive CCIM members' attitudinal ratings. The popular podcasts based on ITQ data continued in 2009, providing members and the industry with a more in-depth perspective on the market and economy.

CCIM Online Career Center

In its fifth year, the CCIM Career Center continues to offer members an online platform for job searches for both employers and those seeking employment. The CCIM site remains one of the most visited within the Select Leaders network. While job postings and revenues declined in 2009 due to the U.S. economy, it's expected activity will increase in 2010 as more members take advantage of this industry employment resource.

CCIM Chapter Network

Chapters and regions are important components of the CCIM Institute's membership structure and the foundation of the organization. The institute's 57 chapters and 12 regions play a critical role in serving existing and new members in the markets where they do business. The CCIM Chapter Network also improves communication between the institute and its regional officers and chapter leaders through regional roundtable discussions with CCIM leadership, and regular conference calls discussing institute programs and services.

CCIM chapters, along with local REALTOR® boards and associations as well as corporations, frequently sponsor CCIM courses, helping the institute deliver its education to more areas across the country. Chapter scholarships are also awarded to many deserving students through the Education Foundation of the CCIM Institute. Programs such as the President's Cup awards and chapter officer training recognize chapter best practices and highlight such issues as candidate guidance, course delivery, marketing, and technology. In 2009, the Alabama, Louisiana, and Kansas chapters were all recognized with first place awards in the President's Cup competition.

Networking Initiatives

CCIM designees and candidates work in every state and in more than 30 nations worldwide. Domestically, the network encompasses 1,000 markets. Globally, CCIM members comprise one of the largest commercial real estate networks on earth. This means CCIMs have resources to close a deal or

provide a referral across town or around the world. The CCIM Institute offers a unique networking program that provides members with the tools and opportunities to build better business relationships, promote their expertise, and do more transactions.

Networking initiatives are designed with every type of member in mind, from in-person meetings to online channels. To meet the needs of members and build on an already solid brand, the CCIM Institute has (1) sponsored 30 additional chapter events and five additional regional events through the Networking Grant Program to build relationships locally, nationally, and internationally, (2) expanded its educational and networking offerings at the CCIM national meetings to bring more CCIMs together, (3) maintained a commitment to participate in several industry events and trade shows, including the International Council of Shopping Centers spring convention, and (4) pledged to increase technology offerings such as deal-making webcasts and social networking platforms.

Popular services such as the MailBridge preference-based e-mail network are used by thousands of CCIMs every year for property sales, wants, and general information requests.

Designation Marketing

In 2009, the CCIM Institute began a renewed focus on messaging and communications to promote the value of the CCIM designation and program and encourage members to “tap into your power base” of CCIM. And for the second straight year, commercial real estate users, investors, and the business community at large were targeted with a successful designation promotion advertising campaign in 42 local markets through the network of American City Business Journals. The campaign resulted in more than 10,000 click-throughs to the Find a Professional page on ccim.com.

Leading commercial real estate firms also recognize the value of the CCIM designation and program. Coldwell Banker Commercial, RE/MAX, Colliers, CB Richard Ellis, Prudential, NAI Global, Grubb & Ellis, Sperry Van Ness, Cushman & Wakefield, KW Commercial and many others encourage their brokers and allied professionals to earn the CCIM designation. And real estate executives from major corporations are enhancing their skill sets with CCIM education. FedEx, General Electric, Wal-Mart, McDonald's, Starbucks, Exxon-Mobil, Ernst & Young, Walgreens, Bank of America, General Services Administration and other Fortune 500 companies and government agencies enroll their real estate personnel in CCIM Institute courses as well.

CCIM & IREM Success Series 2009

About 700 commercial real estate professionals, allied practitioners and sponsors benefited from CCIM & IREM Success Series 2009, which was held October 16-17 in Honolulu, Hawaii. The event was an excellent forum for networking, education, technology and fun! More than 40 speakers led 20 sessions on surviving market cycles, prevailing in the new economy, capital markets, troubled assets, strategic alliances between brokers and managers, personal marketing, and more topics of the day.

For several years now the CCIM Institute and the Institute of Real Estate Management have recognized the benefits of collaboration between the two organizations. With a collective membership of more than 35,000, the mutual talents and resources of both organizations can be leveraged quite well. In addition to holding the Success Series events, CCIM and IREM have partnered for 10 years on legislative and lobbying efforts, and also collaborate on several research initiatives throughout the year.

While the IREM partnership on Success Series ended after the 2009 conference, planning is underway for new CCIM meeting experiences in April 2010 in New Orleans and October 2010 in Orlando, Florida. We sincerely hope you'll join us!

"I appreciate and take advantage of all the CCIM member benefits, but being able to meet fellow CCIMs at a networking event is invaluable. Building relationships, getting leads, closing deals—that's what this business is all about."

David P. Wilson, CCIM
Executive Vice President
Lockard Development, Inc.
Cedar Falls, IA