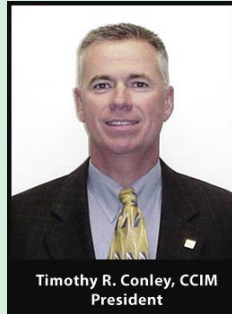


Real Estate Firm for Rent

Outsourcing has become the way of doing business in the 21st century. In the real estate realm landlords have been outsourcing such things as property management, landscaping and janitorial services for years in order to provide services to their tenants. Did you know that Conley has been providing such professional, non-typical, real estate services for years? Our firm is comprised of four core specialties:



- Tenant Representation,
- Interior Design,
- Construction Supervision and
- Advisory Services.

Although we are best known for our Tenant Representation services, these other core areas are also a part of our corporate mission. Firms that own their buildings, or lease their space, can now have the benefit of a complete real estate department by outsourcing to Conley. Firms wishing to save money and time on tasks involving renovation, redesign, construction and securing municipal approvals can also benefit from outsourcing to Conley. We have obtained savings for our clients in excess of 20% by eliminating the need for them to hire a general contractor.

Some of our advisory services include auditing common area expense calculations, identifying budgets for expense growth or reserves for replacement of building components. Outsourcing allows you to have Conley assist your real estate department or Chief Financial Officer with a variety of tasks. Visit our web site at www.conleyassociates.biz for a comprehensive listing of our services and a resume of our experience. These services are provided on an hourly basis and quotations are always free.



Using Tenant Representation for your Lease Renewal

Your office manager just informed you that the company's lease is up for renewal. You don't give it much thought because the very idea of moving is not overly exciting. While your HVAC systems leave much to be desired and while your space configuration is no longer an ideal fit for your needs, your space has worked and you have become accustomed to it. So you add a reminder to your calendar that you need to begin negotiations of a renewal and you hope that your landlord will offer palatable terms.

Do you have the answers to the essential questions that are critical to reaching the best possible leasing decision?

Do you know which questions are the essential ones?

Unfortunately, most businesses don't have the time, resources or experience to ask the questions or get the answers that will best protect their business interests. Proper negotiation of the best possible transaction requires in depth due diligence as if the intention is relocation. Space requirements, local market cycles and rates and alternative locations must all be researched and identified. It is critical to create a competitive arena, using viable alternatives weighed against your current location, in order to leverage and negotiate the absolute best transaction terms for your renewal.

You may also be surprised to find yourself considering a move when options that meet your needs are identified. The more time available to complete this due diligence the more informed you will be to position yourself to finalize the best possible transaction. Conley specializes in this very process and can offer you their time, experience and expertise to help you with your next lease renewal at no cost to your organization.

*Doug Marr, CCIM is a Senior Consultant.
He has been with Conley Associates since 2001*

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More Modern Facility at Below Market Rate

Client: Vollmer Associates

Location: 3 Columbia Circle, Albany, NY



The merger of the engineering firm of Vollmer Associates with the architectural firm of Townsend Associates resulted in the need for additional space. Vollmer retained Conley to assist them in determining how to satisfy their remaining lease obligations while addressing their immediate need for larger space.

We used our defined analytical tenant representation process to:

- Calculate their square footage requirements.
- Identify all viable options within the market, including their current location.
- Create a detailed Request for Proposal (RFP) to identify economic and non-economic terms for each potential property.
- Provide financial analysis of the RFP responses by ranking each location economically.

Through Conley's efforts, the client was able to obtain a more modern facility at a below market rental rate. Additionally, the transaction was structured so that our client received a turnkey build out, had their current lease obligation paid for by their new landlord and obtained further incentives to offset the costs of relocation.

Consolidation with Minimal Disruptions

Client: First Niagara Financial Group

Location: Corporate Woods, Albany, NY – 15,700 sf
Hudson City Centre, Hudson, NY – 49, 600 sf



Conley was enlisted to provide project coordination services to First Niagara in order to execute corporate goals focused on facilities consolidation and upgrading.

The Corporate Woods project consisted of organizing the move of four locations into a new office at a centralized location. The scope of work included the reallocation of furnishings & equipment as well as the coordination of furniture, moving and equipment vendors. Another portion of this project involved the installation, testing and conversion of a new phone system. Additionally, two departments recently acquired by First Niagara were integrated.

The Hudson City Centre project included as an objective the leasing of a portion of the building in order to generate additional income. Conley streamlined the space utilization of the administrative offices by redesigning the space to better match the needs of the business in order to achieve optimum efficiency. This project also included evaluation of existing furnishings.

With the building already occupied Conley had to move creatively to ensure that scheduling allowed for operable work locations, for the entire staff throughout the project, so that day-to-day business was only minimally disrupted. The Customer Call Center, which doubled in size, was accomplished within one weekend so as to achieve minimum down time.

Call us at (518) 463-5500 or visit us online at
www.conleyassociates.biz

Staff Spotlight



Doug Marr, CCIM
Senior Consultant

Doug Marr joined Conley in 2001. He provides a wide range of tenant representation services to clients including the performance of programming studies, facility reviews, market analysis, financial analysis, site selection and contract negotiation.

Prior to joining Conley Doug was the President & General Manager of a well-known Colonie, NY restaurant with annual revenues exceeding three million dollars. Doug was involved in all financial and operational aspects of that business.

In 2004 Doug earned his Certified Commercial Investment Member (CCIM) designation. CCIM's are recognized experts in commercial real estate brokerage, leasing, asset management, valuation & investment analysis. The CCIM designation is awarded only upon the completion of a combination of graduate-level curriculum and the achievement of a level of qualifying experience.

Cost Segregation: Money Doesn't Grow On Trees... But It Could Be Hidden In Walls

Reprinted with Permission from TFM (Today's Facility Manager) – February 02

What would you say if someone offered you a dollar in exchange for a dime? What if your accountant said there was a service that would return \$1 in tax savings for every 10¢ you spent on the service? If you're like most firms, you'd say, "What's the service called, and where do I sign up?" It's called "cost segregation," and it brings IRS-recognized tax savings to building owners concerned with conserving cash.

A cost segregation analysis maximizes a building's tax benefits by identifying, classifying, and segregating a building's assets for accelerated depreciation for Federal income tax purposes. And while it's generally understood that carpeting and cabinets may be identified as personal property in order to obtain the increased tax deduction associated with shorter depreciable lives, this typically amounts to less than 3% of a building's component costs.

Meanwhile, the remainder of the facility is assigned a depreciable life of 39.5 years—in spite of the fact that other building components may also be eligible for the increased tax deduction. But if a building undergoes a cost segregation analysis, firms may uncover a significant sum more than 3%. It may even translate into three, five, or sometimes even 20 times more savings than the 3% found in cabinets and carpeting.

What's Eligible?

Here are just a few of the items that a cost segregation specialist looks for when working to identify tax savings in a building.

- Is there more than one power outlet in your office?
- Do the walls in your office penetrate the ceiling tiles?
- Is the decorative paneling in your reception area and conference room glued, nailed, or hung on the wall?
- Is your cooling system oversized in order to cool your data processing room?
- Do you have a kitchen?

Cost segregation specialists perform a non-intrusive, yet detailed engineering study of a building's walls, flooring, ceiling, plumbing, electrical, lighting, telecommunications, heating, and cooling systems. Next, assets are grouped under several accelerated depreciation rate (ADR) classifications.

Cost segregation professionals then identify which components of each system that, according to Federal Tax law, can be assigned accelerated tax lives of five, seven, or 15 years (in contrast to the straight-line 39.5 years). These resulting tax savings drop right down to a company's bottom line in the form of tax liability reductions.



Careful Scrutiny

In order to get the most accurate sense of these various systems, cost segregation professionals work from accurate building plans and good cost documents rather than strictly relying on a physical building tour. This "behind the scenes" examination can provide the maximum benefit, since it makes the facility walk through much less labor intensive. It's also a better way to identify those building components eligible for short-term depreciation categories.

Firms should note, however, the importance of accurate documentation. Good cost documents allow the analyst to steer clear of national cost manuals—typically lower than actual costs—to arrive at the true prices of building components.

Having correct cost documents and plans means a better fee for service since the cost segregation professionals won't need to spend as much time on the assignment. It also usually translates into higher savings for the client.

The Sooner the Better

Cost segregation studies should be initiated as early as possible in the construction or acquisition process to obtain maximum savings. Consider these three points:

1. If given 10 minutes with the architect before the design of a building begins, a cost segregation professional can show the architect how to make a larger percentage of the building's components qualify for short-term depreciation, thereby increasing the tax savings for the building owner.
 2. Building components should be special ordered. For instance, granite counter tops on a reception desk, special chandeliers, window coverings, and other custom components usually have a higher cost than items found in national catalogs.
- However, there must be proof of these costs in order to report the higher value to the IRS. Furthermore, it is often more difficult to track down cost documents as the construction process moves along. If granted access to the construction chief before the project breaks ground, a cost segregation specialist will request that the cost of five to 10 items be set aside for reporting.
3. If a cost segregation study can be performed before the building is actually acquired, personal property can accurately be separated from the building costs. The two costs can then be broken out in the sales agreement and the real property transfer tax basis can even be reduced.

Great savings are still available once the project or the acquisition is complete. In many cases, the deductions can still be taken years after the project is complete. But why wait? As the old saying goes, time is money.

Ralph Consola and David Zaslow



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Conley Associates' Services

- Tenant/Buyer Representation
- Occupancy Services
- Valuation & Appraisal
- Financial Services
- Market Research Services
- Physical Planning
- Project Management
- Construction Supervision
- Interior Design Services
- Advisory Services

Did you know?

We need a new interesting fact here!



Don't lease space without us.

If you're responsible for your company's office leasing arrangements, we're the partner for you. As this region's only exclusive tenant representative, Conley Associates has all the tools you'll need to assure you are getting the best space for your company's dollar.

We're locally based and have the market knowledge and expertise necessary to help your company make the best decisions for its future. Together, we'll work to:

<ul style="list-style-type: none"> ■ stay clear of unfavorable long term leasing obligations ■ take full advantage of your valuable time and effort ■ fully analyze your opportunities 	<ul style="list-style-type: none"> ■ avoid overpaying for space ■ make sure you're not locating in space that doesn't meet your company's functional needs and long term objectives
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It's not too soon to have Conley Associates start evaluating your leasing needs and options. To schedule a no-obligation market review, or learn more about our complete tenant services, visit us online at www.conleyassociates.biz, or call us at (518) 463-5500. Conley Associates. Don't lease space without us.



To learn more, visit us online at
www.conleyassociates.biz

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