

**19
89** | **OVER
TWENTY
FIVE
YEARS**



The Trump effect: What can we expect? What can we look forward to in Long Island? - by Ralph Perna

April 04, 2017 - Long Island

I have to say, I do not believe there are many voters who were as surprised as I was when I turned on the television the morning after the election.

Since the election, we are witnessing the greatest unprecedented change in the political atmosphere to occur in generations. This no-nonsense driven individual is already shaking things up in Washington, D.C. Since taking office, there is no doubt President Trump is moving at the speed of light in trying to fulfill his campaign promises.

So, with all that has taken place, what can we expect?

First: President Trump has been meeting with the top CEOs of major United States companies, giving convincing arguments, along with incentives, to retain their manufacturing facilities in the United States. The results will include job retention and the end of outsourcing in the manufacturing industry. As an example, Carrier Corporation will not be moving their manufacturing to Mexico. Instead, they are going to expand their current facilities and retain over 1,400 jobs. The interesting result of Carrier's decision to remain in the United States is that they've seen an increase in sales. As I watched the roundtable discussion, which was attended by the top CEOs all who spoke sent a positive message of being on board with our new president.

Second: Trump has plans to eliminate some of the regulations that had been imposed as a result of the Dodd Frank Act. Any revisions or excluded sections of the Dodd Frank Act will certainly be a shot in the arm for the financial industry. Already, we have seen the stocks of the major financial companies increase exponentially.

Regarding our Long Island-based companies, the majority all seem positive in their outlook for this year. So with all this being said, what can we look forward to?

If in fact our president follows through on a couple of the major campaign promises, the consumer will remain confident and spend money. When the consumer spends money, companies need to produce more goods and services to meet the demands. Hopefully, the companies will need to create jobs and increase capital spending. Another area that will also fuel the level of confidence for companies will be his tax cuts and some relief in the regulatory agencies that in some cases place unnecessary rules and regulations on certain industries. As an example, one of President Trump's plans is to streamline the regulatory approval process for the pharmaceutical industry. This will certainly be a big game changer.

I believe if all of the dots are well-connected, banks will be lending money, hopefully interest rates will remain low and this will give the small businesses on Long Island and in the surrounding areas incentives to expand and grow their companies. I, for one, believe our economic engines will continue to run. For the individual markets and taking into consideration the lack of available inventory, this will certainly drive new construction –

something we have not seen in quite some time.

Another factor we should consider is our recent economic expansion, which has been in motion now for going on eight years. It is being driven by a solid base of long-term established companies. Unlike the mid-1990s when our growing economy was based upon the dot-com era, which involved companies with little or no long-term solid base, hopefully we can see stability over the next few years.

In my last article, which was my annual year-end report, I took a somewhat negative view on what may be expected for 2017, but everyone's entitled to change their mind.

Stay tuned.

Ralph Perna is the executive managing director at Newmark Grubb Knight Frank, Melville, N.Y.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540