



Keeping up with the Kardashian's - I mean the Smith's

December 12, 2011 - Front Section

While even those who claim to be anti-pop culture at least know of the Kardashian's - and heard of the nano-second marriage of whichever sister married an NBA player - much fewer are versed in the accomplishments of Adam Smith. He is regarded as the pioneer of political economics and the founder of capitalism: 235 years ago he asserted that the market is directed by an invisible hand that heals economic wounds.

The past several years have been a struggle as our economy has taken a downward spiral; growth seems stagnant and the future appears bleak. Optimists and pessimists are awaiting the quick fix to heal the pain, perhaps another bailout, government program or president? However, if we apply Smith's philosophy to our current economic state, rest assured that time heals all wounds. Even those gouges inflicted by short-lived celebrity romances.

Every industry is affected by an economic meltdown, however real estate is arguably the greatest target. The commercial real estate market is sensitive to economic instability and owners and investors have become increasingly frustrated. As a commercial real estate broker, I am immersed in the confusion felt by these owners and buyers: "Is it a good time to buy?" "Is it a good time to sell?" "Why do I feel like I am on the sidelines?" In my opinion the answer is simple: Yes, it is time to get involved in the real estate market and keep up with Adam Smith.

Increased investment confidence can be attributed to four central factors. Currently, we are experiencing record low interest rates, decreased unemployment, stock market stability and volume in property transactions. These are the clear signs of global healing and are indicative of a broad-based strength in the market.

It is no secret that perhaps one of the best gauges of economic turnaround is unemployment statistics. The U.S. Labor Dept. revealed that companies and governments posted 3.35 million job openings. This is a huge milestone as we have not seen these types of numbers since August 2008, one month prior to the financial crisis.

Another strong economic indicator is the stock market. Although the stock market obviously trades on earnings it also trades on anticipation of earnings. Presently, the Dow is roughly steady at around 12,000, which indicates a firm belief that the economy is improving and spectators should anticipate further growth.

Lastly, increases in the amount of property transactions fuel economic recovery. Commercial real estate reporter Adam Pincus noted that investment sales totals for N.Y.C. are expected to surpass the levels of 2010. An escalation in the number of investment sales is a sure predictor of consumer confidence and economic healing.

Although Americans have experienced economic turmoil over the past several years, I believe the principles of Smith still hold true today. The invisible hand will naturally mend our economy back to normal and the healing is already underway. So while the Kardashian clan has capitalized on reality

TV, Smith capitalized on capitalism, which is the solid foundation of the American economy. American Investment Properties, which has prevailed as the leader of commercial real estate on L.I., continuously demonstrates a profound understanding of the current marketplace.

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