



Beige Book gives glimpse of sunny summer forecast

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Unfolding blooms weren't the only upward movements this spring and summer. The country's economy also was on the rise in mid-May and June, according to the Federal Reserve's July Beige Book, a summary of economic conditions released to the public eight times each year. In particular, positive strides in non-financial services across the country brought about moderate growth for those enterprises. Real estate markets also were up, although consumer spending varied by region.

In N.Y., retail prices remained stable as inventories held steady. Some increases in consumer spending were noticed, surely by taking advantage of deals at discount retailers, since the stores outpaced their higher-end competition, capturing the market's limelight. Sales of building materials by a major retailer picked up, possibly indicating rises in do-it-yourself and professional-level projects. The late spring also saw automobile sales holding at reasonably high levels.

While NYC tourism didn't fully blossom, there was no lack of consumer confidence in the N.Y.-N.J.-Pennsylvania region, which hit its pre-recession peak.

Construction and real estate markets built up a nice momentum in May and June, including a noticeable rise in multifamily construction in NYC. Throughout the state home prices rose steadily in response to lean inventories, and in Manhattan the demand for co-ops and condos turned upward. In fact, it was noted that the focus of new development had begun to move away from rentals, turning instead toward condos. New construction for office and apartment buildings hit a decade-level high.

Another bright trend was the relatively strong residential rental market, especially for smaller apartments. Office availability rates and retail rental rates increased in Manhattan, where the retail availability rate was the highest it's been in years. In L.I., upstate N.Y. and the Westchester-Fairfield regions office availability rates remained steady.

As for manufacturing, the wholesale distribution arm showed some improvement, along with the transportation industry, which experienced a solid uptick. The labor market also showed good standing, with hires up and an increased demand for human resource professionals to assist in securing new employees hires, especially in finance and legal positions. Even better was the finding that starting salaries were looking better due to competition among employers for desirable candidates, with technical workers and truck drivers among the most desired personnel. Manufacturers trimmed back on hiring. Across the board, requests for loans were up at small and medium-sized banks, especially for commercial mortgages and those in the industrial sectors. Appeals for refinancing also grew.

It's great to see upward movement in the economy. With consumers taking advantage of retail deals and the construction and real estate markets showing wonderful promise, the summer forecast is sure to point to sunny days ahead.

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