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Counselors attend the annual meetings to compare notes - by David Kirk

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Markets are persistently positive, with moderate volatility in securities and capital markets registering earnings reports, transactions and bankruptcies, tweets and trade news. August nonfarm payrolls increased by 201,000 jobs, nicely rebounding from 147,000 in July. Details included several positive dimensions of the gains for August.

The Counselors of Real Estate meet in Charleston October 21-24 for the annual meeting. Highlighting Charleston, the thriving port, and including cryptocurrency in the general sessions, this meeting will certainly include trade and tariff talk as well as updates on supply chain and block chain. FED rate and balance sheet action is the big what now, and minutes and remarks from FED FOMC members just confirm they are engaged.

August employment data included a significant wage gain and a marginal decline in under employed persons (U6 unemployed plus all persons marginally attached to the labor force plus part time employed for economic reasons), both indicating persistent economic growth is finally reaching into the labor force. Average hourly earnings advanced 0.4%, month over month, in August, pushing the 12-month comparison up to a cyclical high of 2.9%. U6 declined from 7.5% to 7.4%. Neither measure yet marks a trend; however, certainly both are supporting positive indicators and reminders that the domestic economy has a way to go to sustainability. So, the FED should be engaged.

Yield curves and cycles are crowding the commentary with historical references, some measured and quantified. Some not so much. Most of the investors are cautious, anxious and still actively engaged. Most have a fourth quarter to complete portfolio allocations, redeploy turning funds and consider adjustments for year end. Uncertainty in the market related to FED action is a persistent overlay to uncertainty in global trade, currencies and catastrophic economic interruptions. The next FED rate increase is, like the preceding rate increases, unprecedented.

Counselors attend the annual meetings to compare notes and to compare their own geographic and property markets to other venues. This lookback, reflection, projection and vectoring are all informative. Charleston is revising history like most colonial centers, and rewriting its future with robust economic expansion and a port of today and tomorrow. Competitive and comparative thinking about our own markets from the Charleston venue will be a pump. The port is a microcosm of the fast evolving and transformative global supply chain. And now the tariffs and global trade. Much more than just a trip to the historic colonial port.

Sidebars will be plentiful on the FED and trade and employment redistribution. FED rate

adjustments for 2018 portend further turbulence in the capital markets including capital for commercial real estate. Forecasts and speculation are daily and diverse as uncertainty and inflection prevail. Downside risk still appears low if any consensus exists.

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