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## **What a difference a year makes! A mid-year report on New Hampshire's economy**

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What a difference a year makes! This year, half-way through our calendar year, economic activity has been brisk, inquiries have been flowing throughout the entire state and transactions are happening, based on government supported financing programs and the commitment of our local community banks...none of the activity was present a year ago.

As most of you know, my brokerage activities are concentrated in the Upper Valley of New Hampshire and Vermont, in the so-called, "Dartmouth Region", as in Dartmouth College. A sign of the energy and activity we are witnessing in the Upper Valley was evidenced the other day, when the Ledyard National Bank, a local community bank, committed to lending to Upper Valley businesses, \$50,000,000 (that is fifty million dollars) before the end of the year. Last year, at this time, that would not have been possible.

This is not just an Upper Valley story, throughout all of New Hampshire, activity at this midway point of the year is significantly stronger than July 2009.

In talking with Bill Norton, a good friend and long time colleague, of Norton Asset Management, located in the Manchester area, Bill reports stronger activity in 2010, but the difference is that he is working on many more, smaller need projects than in the past, where he would have been working on significantly larger projects. He went on to say, "Our workload has increased with the multitude of smaller projects over last year, but we are pleased to see small business activity at this point of the year, it bodes well for the future as all of these small businesses start to expand."

After talking with Bill, I contacted Mike Bergeron, business development manager of the New Hampshire Department of Economic Development. He supports the notion that small business is driving a stronger 2010, than midyear in 2009. He indicated that they have witnessed an increase in inquiries since the first of the year. He went on to say, "We have seen an uptick in inquiries from Massachusetts and New York companies seeking to escape the higher taxes and burdensome regulations, compared to what New Hampshire offers."

When asked to give me certain examples of activity in the marketplace, it was easy to rattle off the names of many, including NorAm International, which moved from Massachusetts to Hudson locating in 12,500 s/f and doubling their employee count to 100 employees.

He also mentioned Watts Regulator in Franklin which actually closed a production line in China and hired 100 new employees in Franklin.

Citing another example, he said, "Chamberlain Machine moved from Vermont to Walpole and built a 50,000 s/f building and employs 48 people. Taxes were a factor in the decision to move."

Supporting all of this midyear activity is the data coming out of the Economic and Labor Market Information Bureau of the State of New Hampshire, indicating that the unemployment rate has dropped from 6.4% in June of 2009 to 5.9% reported in June of 2010, over an 8% decrease, which

has been driven by the small business community.

So...what a difference a year makes, businesses are making decisions, lenders are listening to the business community and opening up the lending faucets, properties are being bought and leased and the unemployment rate is dropping...New Hampshire is truly leading the way out of the slow down within the region and we are excited about the prospects for the midyear report in 2011...stay tuned.

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