

Room for economic optimism as 2012 begins: Brokers showing space is an encouraging sign

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Predicting the economic future is about as easy as predicting whether or not the Patriots will win their fourth Super Bowl in the Belichick-Brady era. Can Welker, Gronk and the rest of the offense score more than the porous defense allows? Recent history does not point to the Patriots winning in February, but let's be optimistic and believe that they will at least make it to the big game for the first time since January 2008.

Based on what experts are saying, it appears there is room for economic optimism as 2012 begins. More than one real estate veteran has recently remarked "I'm busier than I've been in 10 years." That in itself is good news as brokers showing space is always an encouraging sign.

There was also positive news heading into Christmas. The Associated Press, on November 21, reported that top forecasters with the National Association for Business Economics predicted the economy would grow 2.4% in 2012, a slight improvement from the 1.8% growth they expected for all of 2011.

On December 24, The Wall Street Journal reported:

- * Consumer spending inched up in November from October amid small income gains and low prices.
- * Steelmakers are increasing prices and production as sales of cars, farm gear and drilling equipment rise.

And on December 28 the WSJ reported:

- * Data Suggest Recovery Gaining Steam: Americans are filing fewer new claims for jobless benefits than at any time since the end of the recession, the latest signal that the economy is ending a year of uncertainty on a positive note. Fewer Americans are filing new jobless claims than at any time since the end of the recession
- * The Dow Industrials rose 135.63 points on improvement in the U.S. housing and employment sectors
- * Online retailers saw blockbuster holiday sales between Nov 1 and Dec 26, up 15% from a year earlier.

The Worcester Business Journal recently listed its 2012 predictions. Some of the more encouraging are:

- * The Mass unemployment rate will fall and stay below 7%
- * U.S. companies will hold on to less cash than the estimated \$2 trillion they held in 2011.
- * The prime lending rate will slightly creep up but will remain below 4%
- * The nation's Gross Domestic Product will grow 3% and there not be a double-dip recession
- * Tiered and limited-network health care plans will become the new norm.

Although inching forward, the economy appears to at least be moving in the right direction. The well documented mobilization of citizens in the tea party movement with its focus on government accountability had a significant effect on the 2010 elections. And although seemingly focused more on class warfare than realistic economic reform, the "occupy" movement brought the slumping economy to the forefront of the news cycle. Hopefully the influence of these groups and Americans tired of economic malaise will positively effect the elections of 2012 and thus the economic policy moving forward. The optimistic economic signs and the potential for "change" in Washington should continue to give companies and entrepreneurs a cautious optimism moving forward in 2012. Is the worst behind us? Let's hope so. And let's see if Bill and Tom and their cadre of weapons can get through the AFC playoffs to take on one of the NFC juggernauts in Indianapolis.

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