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## **This year's winter weather dampened economic activity, but spring looks to brighten up**

March 27, 2014 - Spotlights

First Quarter 2014 needs data for March. However, January and February economic data have been moderate and positive. FED chair Janet Yellen has affirmed direction and details of the FED's quantitative easing: taper will continue and so will low interest rates. Labor force data from the U.S. Bureau of Labor Force Statistics (BLS) reported March 7 monthly employment gain of 175,000 for February from Establishment Employment Survey and little or no change in Household Employment Survey over January. The impact of weather will probably not impact this data even in revisions. The Mass. Department of Labor and Workforce Development reported March 20 that based on preliminary BLS data, Massachusetts added 3,800 jobs in February and total unemployment dropped .03% to 6.5% from January. Upward revisions for December, January and February, and aggregations for both the national and local data demonstrate clearly the economic gains of the last 12 months. No excitement economically, just stable moderate improvement.

The severe national weather patterns have impacted national and local economic activity and reports and revisions for March and the first quarter aggregations will record the impact. Jobs data from the national Establishment Survey and the Household Survey are collected and counted with methodologies that miss temporary absences. As reported variously in other measures, consumer spending, retail sales, productivity and production will reflect the extraordinary impact of so-called seasonal weather on the national economy. The residential real estate markets will be marginally depressed from weather patterns impacting construction and sales activity. Commercial real estate activity is probably less vulnerable to the extraordinary seasonal conditions.

The economic springing forward should benefit from weather-suppressed activity and pent up demand in multiple sectors during the second quarter and marginally in March data. Macro trends are essential to conclusions about the local market place and property performance. Stable to moderately improving data and trends justify similar derivative forecasts for the local property markets. For commercial real estate markets, the weather was typically less disruptive. However, foot and vehicular traffic from renters, buyers and prospects was stymied, and diligence was impeded. Much activity is easier to postpone until a nicer day! For this reason, the winter months do traditionally have a dampening impact on economic activity and the spring bounces up.

The season and extreme weather has reduced traffic at the site if not the web hits. The spring rollout will be full of wonderful surprises for prospects in the market.

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