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## **If infrastructure bill is passed, expect CRE to strengthen - by Joe Friedman**

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2020 President

Joe Friedman

Brooks Properties

With the first quarter of 2021 in the books, a big question is whether the coming spike up in the economy will be as dramatic as the spike down that occurred one year ago. Commercial Realtors, ever an optimistic group, point to many positive events that have occurred in the 1st quarter of 2021.

Most importantly, the vaccine roll out is moving along swiftly with New Hampshire offering vaccines to all of those over 16 years old. Our neighboring states are also moving quickly in offering vaccines to all that can take them. The vaccine is giving people the confidence to travel, gather with friends and family, go back to restaurants, attend concerts, weddings, ball games and other large group events. There is considerable pent-up demand for all of these activities. Realtors are expecting to see a big surge in tourism, retail sales and live entertainment in New Hampshire this summer as people feel more comfortable and protected from the devastating COVID-19.

The American Rescue Plan was signed into law and will pump \$1.9 trillion (!) into our expanding economy. Economists expect 2021 growth to be 6-7%, the highest rate in 40 years, followed in 2022 by 5% growth. American bank accounts grew by \$2.67 trillion in 2020. Congress is currently considering a massive Infrastructure Bill that would pump even more money into the economy and set the stage for continued future growth. If a major infrastructure bill is passed, expect commercial real estate to strengthen as the work will require new and expanded facilities. Demand for industrial space, already quite high, will be even greater as companies need to mobilize for all the new work to be done. There are already a number of 30-50,000 s/f industrial/flex/warehouse requirements looking all across the southern tier of the state. More companies are willing to come to New Hampshire from Massachusetts since it is so difficult to find those blocks of space south of the border. Interest rates remain very low. This makes it attractive to buy real estate and keeps prices high.

Recognizing that there are always risks in the system, Realtors know that markets can be disrupted. With all the new money being put out by Congress, inflation is of some concern. Construction material prices have increased sharply and supply chains have been disrupted. A major disaster or international conflict can have deep effects and stop growth quickly. There are still far too many people unemployed.

There is light at the end of the Covid tunnel. It will be good to get out in the coming months and be with our business associates, friends and family.

Joe Friedman is the 2021 president of the NH CIBOR, Bedford, N.H.

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