



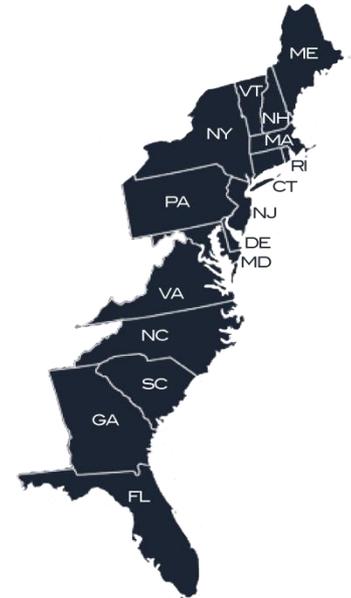
**The
Blau
&
Berg
Company**

Local Expertise / Global Reach

Established in 1932

Market Sound Bites

February 2015



Demand Leads The Way

Wall Street Gears Up as White House Pushes Retirement-Fund Rules

US Economy Misses its Mark at End of 2014

The NJBIZ Power 100: The Most Powerful People In New Jersey Business

Waiting for Wage Growth



The Blau & Berg Company



@BlauBergCompany



The Blau & Berg Company





Demand Leads The Way

Crimkav Corporation, T/A The Blau & Berg Company

Brad P. Jacobs

Sales Associate

February 1, 2014



What will the outcome be for industrial properties in 2015 and beyond? Is it here to stay or are we creating another bubble? How do energy prices affect this market? Are we already priced too high? How long will consumer confidence remain in this sector?

My assumption is that this industrial surge is here to stay for two to three more years. In addition to the obvious growth in all areas of the nation, we have been fortunate to be in a vertical that is also growing at a staggering pace. Three million square feet of industrial space will be brought to market; liquidity is flowing well, but cautiously, 30-year interest rates are at 3.8 %, foreign investment continues to rise, hiring is continuing its upward climb, and supply is tightening more and more every day. By coupling this with the increasing number of e-commerce needs and low oil prices, we will see that we are on the brink of a new industrial revolution.

What will low energy prices mean for the industrials? With a national average of \$2.08/gallon, manufacturers, distributors and transporters are going to see larger profit margins than they have in nearly a decade. These numbers will be reflected by the end of the second quarter and will surprise many skeptics who try to convince the masses that low energy has a negative effect. The big picture is that while some organizations will be hurt by cheaper oil, the majority of the world’s population is going to benefit. However, big energy may attempt to defy OPEC by slowing production to reverse the balance in pricing. Let's hope that this isn't the case, but let's also be cautious of how the energy companies play ball.

Are prices too high? Prices of the already limited supply of industrial buildings will continue to rise. There will be so few golden opportunities to borrow at these levels ever again and consumers have been waiting nine years for another shot at purchasing property. In fact, the consumer sentiment levels are at 11-year highs around 98.2 % and employment rates are at 5.6 %. This will continue to create a steady increase in demand, which is the engine behind it all.



Demand Leads The Way

Crimkav Corporation, T/A The Blau & Berg Company

Brad P. Jacobs

Sales Associate

February 1, 2014



Are prices too high? Prices of the already limited supply of industrial buildings will continue to rise. There will be so few golden opportunities to borrow at these levels ever again and consumers have been waiting nine years for another shot at purchasing property. In fact, the consumer sentiment levels are at 11-year highs around 98.2 % and employment rates are at 5.6 %. This will continue to create a steady increase in demand, which is the engine behind it all.

Supply and demand is the one true methodology that sums up all real estate markets, and is truly favoring the demand side. Demand continues to be very strong and until the overbuilding process begins and rates steadily start to rise, property values are going to continue their upward trend. Cap rates will be a big factor in controlling price. Already down to 5% for many investors, this doesn't leave much meat on the bone. With interest rates heading up and smaller cap rates coming into play, these two factors will be the sole defense against major price gouging. Let's continue to be positive and try to remember, life is short. Live, laugh, love. Best of luck in 2015!



Wall Street Gears Up as White House Pushes Retirement-Fund Rules

*Bloomberg
Robert Schmidt and Dave Michaels
January 30, 2015*

(Bloomberg) -- Top financial lobbyists converged on the White House last week in a failed bid to forestall an administration plan that would impose new rules on brokers who manage trillions of dollars in U.S. retirement accounts.

At issue is a Labor Department proposal to require brokers to act in their retirement clients’ best interest, a standard known as fiduciary duty.

On Jan. 23, five association heads -- among them two former governors and an ex-congressman -- gathered to tell presidential advisers Valerie Jarrett and Jeffrey Zients that the rules would throw the retirement system into chaos and harm savers with small balances, according to attendees and people briefed on the meeting.

[Full Story](#)



US Economy Misses Its Mark at End of 2014

CNN Money
Patrick Gillespie
January 30, 2014

The U.S. economy gained steam last year, but it closed out the year with a big disappointment, raising more questions about 2015.

America's economy grew only 2.6% in the final three months of the year, much lower than the estimate of 3.3%.

Overall for 2014, U.S. gross domestic product, the broadest measure of economic activity rose 2.4%. That's the highest mark in four years, according to the Commerce Department, but economist and policymakers want to see growth this year of a lot closer to 3%.

[Full Story](#)



Video Credit: CNN Money



The NJBIZ Power 100: The Most Powerful People In New Jersey Business

*NJ Biz
NJBiz Staff
January 30, 2015*

The Power 100, NJBIZ's annual ranking of the most powerful people in New Jersey business, has always had two “sure things” about it: 1. It's a must-read, who's who of the state's influential and important; and 2. It's led by Gov. Chris Christie.

For four straight years, the governor has topped the list — no ifs, ands or buts.

That changed this year. Well, the “ifs, ands or buts” part, anyway.

In 2015, unlike in the past, there was some serious debate about the governor's spot at the top of the Power 100. After all, with a possible presidential run in his future, there is a lot of talk about whether or not his influence is waning at home even as he tries to grow it elsewhere.

And there are plenty of business big shots hoping to claim his spot atop the rankings.

[Full Story](#)



Photo Credit: NJBiz



Waiting for Wage Growth

GlobeSt.com

Dr. Sam Chandan

January, 12, 2015

The December jobs report capped a banner year for the US labor market. As compared to a year earlier, public and private employers added just short of 3 million net new jobs, the best showing since 1999. Private sector employment accounted for a disproportionate 97 percent of the net increase for the year and 95 percent of the increase over the last month. Professional and business services, which mask a very wide range of activities, posted a healthy increase in December, as did education and health services, and leisure and hospitality. Financial activities remain a laggard, trailing the broader employment recovery and still short of its pre-crisis peak.

The unemployment rate, a dubious measure of labor market health, nonetheless declined by 110 basis points over the year. At 5.6 percent, the unemployment rate is well below the 6.5 percent monetary policy threshold announced by the Fed two years ago. Alternative measures of unemployment, running the technical gamut from U-1 through U-6, all declined, as well. While it offers an incomplete picture of market conditions, the conventional measure of unemployment does convey that the rationale for unconventional monetary policy has largely dissipated. A second-quarter increase in the fed funds rate looks more likely.

[Full Story](#)

