



**Don Cox Company | Austin, Texas**

## **Good News, Bad News and Opportunities**

2013 was another positive year for the U.S. economy, with growth in securities markets (Dow up 27.62 percent), GDP (up 4.3 percent in the 3rd quarter), jobs (five-year low unemployment rate), and home prices (13 percent annual gain). Positive economic growth trends were also seen in Japan and Europe. High-growth economies in China and Latin America saw significant slowdowns, although net growth in these markets remains positive. Early forecasts for 2014 suggest a continuation of these trends, which is welcome news after many years of troubling economic times.

Positive economies create positive demand for office space. As a result, U.S. office vacancy rates have steadily declined to 11.5 percent at the end of 2013. Based on the lack of new office construction which limits supply, vacancy is anticipated to decrease at a faster rate in 2014. Conversely, quoted rents have increased every quarter since the end of

2010. Decreasing vacancies and increasing rents are good news for landlords, but bad news for tenants.

The best way for business owners to mitigate the impact of this good news/ bad news is by a well-planned leasing strategy that focuses on creating competitive bidding between landlords, preemptive lease renewals, and a space utilization plan to improve efficiency. An ITRA Global tenant representative can help you create an aggressive leasing strategy that positions your company to benefit most from this changing market, so contact your representative today.

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