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Chamber speakers promise prosperous 2007

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Business owners attending the recent Federal Way Chamber of Commerce 2007 Economic Forecast Breakfast were promised a prosperous 2007, marked with steady job growth and a rising GDP.

Zev Siegl, business advisor for the Small Business Development Center at Highline Community College, said it appears many small businesses can expect a business climate very much like last year, which was a good year.

“The speakers at the event were a little cautious about the construction

industry,” Siegl said. “However, if interest rates stay low, people in the construction industry will likely see continued strong sales. People will continue to upgrade their current homes and there will be a market for new homes but perhaps at a slower pace.”

The national unemployment rate was at its lowest in December since June of 2001, noted Kate Warne, an economist with Edward Jones Investments and a featured speaker. Nationally, unemployment is projected to stay at about 4.5 percent. She said the value of home sales on a national scale would be down about 2 percent this year.

Lori DeVore, an agent with John L. Scott Real Estate in Federal Way, said the Federal Way area is doing much better in terms of home values.

“I project a six percent increase in home value over last year,” she said. “I anticipate a real steady market this year for Federal Way.”

Gary Zimmerman, senior economist with the Federal Reserve Bank of San Francisco and another featured speaker said that nationally, service-oriented jobs will be on the rise this year, while manufacturing and construction jobs will be down.

Jim Strehlow, vice president of business banking for Rainier Pacific Bank, said job growth should be

apparent in Federal Way this year.

“One of the advantages we have in Federal Way is a higher vacancy rate in office and commercial space,” he said. “This is a place that businesses can relocate and bring jobs. The space doesn’t need to be built. It’s readily available.

“I think home prices will moderate and not rise rapidly,” he said. “I don’t see the demand as being robust for residential housing as it has in the past. Commercial construction should be fairly strong in regards to the Port of Tacoma and the Auburn valley. And unless there is a rise in inflation, we should expect interest rates to remain the same.”