



August 1, 2008

Commentary with CORE's Natalie Rakowski



Whether it's a daily commute to the office or a Washington apple at the grocery store, gas prices are driving up other prices. We asked GlobeSt.com readers if higher transportation costs have affected them, and a solid 83% think paying at the pump is bumbling their business. Only 17% believe fuel expenses aren't having an effect to the real estate industry. Natalie Rakowski, the managing director at CORE Group Marketing, spoke with Real Estate New York about how oil costs affect real estate.

"The numbers don't surprise me, really. We have probably one of the busiest projects in the New York area. We get anywhere from 60 to 100 people to come out to our open houses on Sundays. I wouldn't say gas prices have had a positive effect on traffic, but it certainly hasn't made people stop looking or traveling over.

"As far as any changes I might have seen in my business, we have two projects in Manhattan and they're both near mass transportation. I have seen an increase in traffic, and it is the summer, which is usually a slower time of year. I could venture to guess that people are perhaps looking at places closer to public transportation in Manhattan. So that's possibly a different sort of impact that maybe people are looking at places that are slightly closer to transportation that they need.

"I've been doing this for 15 years, and one of the things people take into consideration in Manhattan is the proximity to transportation especially if they work in the city. They want to know that they have an easy route by bus or by subway to get to where they work or even where they play. Maybe now that aspect of the search may be a little bit stronger. They might not opt to drive if they find a place that's not as conveniently located via public transportation. It might be a little higher on their priority list at this point. It seems like it's always a consideration, but it might make the list a little further up.

“It’s good for the environment if people take public transportation. As brokers and people who work with new developments primarily, which is what I do, we’re always trying to convince our developers with the importance of building green, which is a trend that’s finally starting to happen thankfully. Taking public transportation is another level of that. If the whole gas prices thing encourages people to do that I think it’s a good thing.

“In Manhattan, if I’m showing people apartments I may cluster apartment showings together so that we can walk. That’s generally how I would work anyway. People are probably doing that more instead of taking somebody from the East Side to the West Side. They may show them all the units available in one area first and then take them elsewhere on another day or another time.

“Nobody likes high gas prices. High gas prices are probably affecting the real estate market, but it’s probably impacting it in a more positive way because people are more conscious being close to mass transportation. That would be good for the environment.”