



In the Loop Realty Newsletter

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Amerival

**Your One Stop
Valuation Center**

RATES & THE MARKET

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highly unlikely bears the correct date. Also, without the appraisers permission it is illegal to use the report for any function other than for that which it was prepared. I was a speaker at the League of Municipalities' tax assessors' program last November. My session began with it's not "us and them" because often tax appeals are seen as adversarial encounters. Most assessors in New Jersey are conscientious, well informed professionals; and, should be so treated. Retain a professional appraisal firm to present an objective and defensible market value. This will save your clients money and time and you will have created a positive occurrence.

FEEDBACK-

Tina Orth, top salesperson for Crossroads Realty will be including this newsletter in its entirety in her monthly mailings. A nice compliment.

Thank you, Tina.

Courtesy of

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Rates shown are for the New York region.

Source: HSH Associates

	Week ended:	N.Y.	N.Y. CO-OPS	N.J.	CONN.
30-YEAR	Jan. 5	6.32%	6.28%	6.23%	6.20%
	Dec. 29	6.32	6.28	6.23	6.12
15-YEAR	Jan. 5	6.03%	6.04%	5.87%	5.91%
	Dec. 29	6.04	6.02	5.84	5.85
ADJUSTABLE	Jan. 5	5.79%	5.89%	5.47%	5.57%
	Dec. 29	5.82	5.90	5.37	5.56
INDEX FOR ADJUSTABLE RATE MORTGAGES	Week ended Jan. 5				4.98%
	Dec. 29				4.99
1-year Treasury rate					

Rates on most adjustable mortgages are set 2 or 3 percentage points above this index.

The New York Times

RATES- Mortgage rates are still very low as evidenced above, but the market activity is not clicking up as some expected. The higher priced residences in the New York City metropolitan area are experiencing strong activity but that's predicated solely on the economic strength of the businesses and industries located in its confines.

Interest rates alone do not make an exciting market. It takes low rates plus the anticipation of appreciation to fuel the real estate market. Timing *is* everything. The chart above reflects the underpinning of the rates....the 1 year treasury security index. Check the forecasting of

treasury bills (T-Bills) which are up to one year for maturity and are considered the safest investment in the world. First year payments of adjustable mortgages are virtually decided by this index. The treasury bonds and notes of up to 5 years control the rate changes on the adjustable loans. Attorneys and accountants can point their clients in the right direction by making them aware of this. LIBOR (London Interbank Offered Rate) is widely used as the benchmark for short term interest rates in the US. In short, it reflects the confidence of international investors in the US economy and the resulting adjustable mortgage interest rates.

TAX APPEALS-

Here we go again! Everyone should pay attention to this Tax appeals in New Jersey need to be filed prior to April 1st. Please do not advise anyone to go pro se' into the assessor or worse the county tax board. Their chances of succeeding are slim. Advise them to hire a professional appraiser. But first know this. The valuation date is October 1st of the pre-tax year, so what your client knows today may not have been in place at that time. Don't advise them to use a mortgage appraisal of which they may have a copy, as the "function" or "objective" of the report is not the same or acceptable and