

Forecast 2014

Interest Rates and Beyond

by Annette Cooper, Senior Real Estate Advisor, *Keegan Coppin/ONCOR International*

Happy New Year to all, and I trust that 2013 contained a “healthy dose” of upside to most of Northern California economy. Certainly the *Residential Market* continued its climb with consistent momentum, and we witnessed the biggest shift in residential development land sales in over 5 years; all bellwether signs of a new economic dawn. It’s safe to say the tide has turned and we look forward to similar economic momentum in the new year of 2014.

As the saying goes “Follow the Money,” but I would modify it to say “Follow the Interest Rates.”

According to Brian Kilkenny at Exchange Bank; the general consensus in the banking world appears to be the economy is getting stronger, but the growth is not overwhelming. Hence, interest rate may not be rising as fast as they could, but we can expect a gradual rise in rates throughout 2014.

We can anticipate the days of 4% money may be a thing of the past by mid-year, and the 10 year loans (close to a dinosaur today) will also be a thing of the past as banking regulators continue to ratchet up loan criteria and guarantee fees.

So, what’s the conclusion? As my dear old mother used to say, “Make hay while the sun shines.” Today’s interest rate environment will not last at the levels we are experiencing, and now is a great time to make a move to purchase both investment property and take advantage of both income property and property suitable for owner/operators eligible for SBA

Loans.” Time Waits for No Man” (or woman for that matter)

Contact us today if you are considering taking advantage of today’s advantageous interest rate environment. We look forward to hearing from you.

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