



brokerage spotlight

Interesting residential market to unfold in 2006: The reaction to fundamental economic changes

jh James Haggerty

National Land
Tenure Co.

The predominant trend in the residential market in 2006 involves the upward pressure of interest rates and an increased supply of residential homes in the Long Island market, both Nassau and Suffolk counties. On the title insurance side of the residential transaction, we have felt and will continue to feel the effect of these two economic factors in 2006.

In terms of rates, I believe it is more likely that the typical homeowner will be more inclined than before to only refinance in 2006. Two scenarios are prevalent. First, I see Long Island homeowners refinancing at the end of their interest only mortgage to avoid variable rates in an interest market that will likely rise. Second, I see the homeowner who missed the low rates of 2004/2005 now seeking a relatively

low mortgage rate from a historical perspective.

The boom in residential refinances over the past several years will inevitably slow in 2006 unless there is a drastic change in the upward movement of interest rates.

With respect to the increased supply of residential homes in the Long Island market, I believe this spring will bring about an extremely active residential sales market. In my opinion, we are seeing many speculative sellers looking to sell at a high and take advantage of the aggressive gains in home value over the past few years. However, with the increased supply of Long Island homes, I believe that sellers will be more negotiable in the sales transaction and buyers will have a bit more negotiating leverage. The

take it or leave it attitude of sellers of previous years will not pervade the marketplace in 2006.

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From a title insurance perspective, 2006 offers many interesting and promising opportunities for both title agents and underwriters. In 2006 I strongly believe that the title agents and underwriters who will be most successful are those market players that have a firm base of clients who are active in the residential sales market. At National Land Tenure, we have always attempted to reach out and serve all areas of the title insurance market to spread the risk of the real estate business cycle.

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market players that have a firm base of clients who are active in the residential sales market. At National Land Tenure, we have always attempted to reach out and serve all areas of the title insurance market to spread the risk of the real estate business cycle. We have a strong client base that targets the refinance market, residential sales market and commercial market. 2006 will undoubtedly be a promising year for my agency, and it will be interesting to see how the Long Island residential market reacts to fundamental economic changes this year.

James Haggerty is a managing director and general counsel to National Land Tenure Co., Westbury, N.Y.

Boker of Sutton & Edwards reps. landlord in 2,250 s/f retail lease



Lake Shore Commons Shopping Center, Lake Ronkonkoma.

LAKE RONKONKOMA, NY CitiFinancial signed a lease for retail space in the Lake Shore Commons Shopping Center in a deal arranged by Sutton & Edwards Inc./TCN Worldwide.

CitiFinancial, a member of Citigroup, the world's largest financial services provider, will operate a loan office in the space on Portion Rd., a busy retail corridor just north of the Long Island Expressway. The space measures 2,250 s/f.

Brian Boker, director of Sutton & Edwards' retail department, represented the landlord, LG Realty LLC. James Sansivero of CB Richard Ellis represented the tenant.

Sutton & Edwards is the leasing agent for Lake Shore Commons, which totals 89,400 s/f. The shopping center is easily accessible from exits 60 and 61 of the Long Island Expressway and is anchored by a Guinta's Meat Farms supermarket and a U.S Post Office.

Sutton & Edwards employs 50 real estate specialists providing integrated leasing, investment sales, property management and advisory solutions.



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<p>\$50,000,000 Acquisition/ financing condominium construction/ conversion Long Island, NY</p>	<div style="display: flex; justify-content: space-around;"> <div style="width: 45%; padding: 5px;"> <p>\$700,000,000 Acquisition/ financing commercial construction/land development San Francisco, CA</p> </div> <div style="width: 45%; padding: 5px;"> <p>\$50,000,000 Acquisition/ financing golf course construction/land development USA, seven states</p> </div> </div>
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