



Amerival Realty & Valuation Newsletter

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Issue 198

SPECIAL EDUCATIONAL PROGRAM—PG. 3 – 5

BY

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WELLS FARGO AT IT AGAIN- Folks, you just can't make-up stuff like this. Only in America can people who sold a house in 1994 and allowed a mortgage assumption, have this problem. They were legally notified that Wells Fargo was foreclosing on them. The transaction was handled by a law firm. The buyer died about 8 years ago and it's unclear as to whom was paying the mortgage which has a remaining balance of about \$35,000. The seller's daughter lived there for about 8 years prior to the sale. Wells Fargo wants the sellers to provide a copy of the mortgage showing the assignment, but the daughter had the only copy and moved to New Jersey where her storage unit was totally destroyed by Hurricane Sandy. So, without proof of the foreclosure, Wells Fargo may pursue the foreclosure. I guess I'm slow but doesn't WF have a record of who and how the payments were made?

Oh! WF is closing a Milwaukee facility and laying off 1,000 employees. They were there to assist customers with their delinquency problems. Someone should have helped the sellers in the above story. But not to worry you soon to be jobless people. WF is going to provide you with other opportunities in other parts of the \$1.5 trillion dollar asset company. Of course having an idea of the "vast employment opportunities in Wisconsin" you can sell your houses or give them back and pack up and drive to Texas or California for work. Sad!!!

FORECLOSURES— As stated so often here, you can't pay attention to national statistics. Here's the latest. It's been printed that foreclosure activity will near normalcy by the end of 2015 according to Realty Trac. This is based on February statistics which indicated 10,938 foreclosures that month. This number was cited as being down by 4% from January and 9% a year ago February. However, 24 states reflected increases in foreclosure compared to last year this time; i.e., Massachusetts up 53%, New York up 19% and Nevada up 12%.

Let's not stop there. An analytics firm in California revealed that 24,105 assets (real estate) became bank owned in February which reflects an increase of 9% from January albeit down 20% from last year.

It's a matter of how one reads the statistics. Nationwide foreclosures are down in February by 13% which is the lowest level since July 2006, the end of the housing bubble. However, the key word is "foreclosures" not how many have come into foreclosure which is up in key states which thought there was a recovery ongoing.

The key to the downtrend of foreclosed properties is much a result of tight lending criteria imposed in recent years. Notice that there is not correlation between the number of purchase over the past year compared to those in the "good" real estate years. It is obvious that the fewer the purchases the fewer the foreclosures. Clearly, there is a serious loss in real estate activity and profits. (CON'T)

Courtesy of

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Now, here is a comeback from another service. The mortgage technology firm, FNC, has a Residential Price Index which indicated a 0.3% drop in home prices from December 2014. These statistics are based on the top 100 metropolitan areas in the country. However, year over year there was an increase of 4%. These stats are based on non-distressed property sales, so they are not skewed. Little did we know but completed foreclosures are considered sales and are part of the sales statistics. In January that number reached 15.5% up from 13.6% in December.

Another point of interest with foreclosures and the national real estate scene is of the 100 metropolitan areas comprising these statistics, only 10 experienced increasing housing prices on a month to month basis. The largest was Seattle with a mere 2.3%. And, the largest decrease in pricing was experienced in Minneapolis with -2.3% and Chicago with -1.9%. Ladies and Gentlemen, until the statistics from these various sources are inter-supportive and the trend is distinct and not marginal it cannot be presumed that there is a real estate recovery.

Something else one may not know. When a property is bought out of foreclosure that property is then not considered underwater and those numbers bolster the claims that the real estate market is much better when in fact it has perpetuated the scam that more houses are now at market value. How many foreclosures have those of you that are real estate professionals seen foreclosed sales bearing a sale price that actually reaches market value? That's what I thought. This point in fact is that you can only respond to your local market because these statistics just don't tell the real truth which is that truth which controls your professional existence.

HOME SALES- According to the National Association of Realtors, economists believe that sales rose 2.1% in February over January which reflected a month over month drop of 4.9%. Much of the slow real estate movement in 2015 is explained as a result of the "cold market" meaning the weather. Frankly, I think that's legitimate especially for the Northeast and I'm sure other parts of the country which also experience weather anomalies. What is discouraging is the economists seemed to be in a state of confusion (what's new) as the Feds put out strong job growth numbers and interest rates are very low. There's something missing, at least for the economists reading *without their reality glasses*. New jobs are either for second jobs because people can't make enough out of their full time jobs or they need part time jobs to at least meet their debt payments. As for low interest rates, they aren't low enough for so many "want to be" homebuyers to meet the stringent lending requirements.

It is also recognized that there are fewer homes being listed for sale and builders are only building for the wealthiest segments of the real estate purchasers. Simple math; the wealthy don't have credit problems, typically, there is greater profit and there are less units to control in construction. According to the construction industry sales are still behind last year and the year before.

Zillow reported that 16.9 percent of homeowners owe more on their mortgage than their homes are worth. In Philadelphia, Houston and Boston that rate increased from 3rd quarter levels of 2014.

TAX APPEAL SEASON IS UPON US- For those who were geared up for a lot of income from a lot of tax appeals, you better hope that there is a plethora of part time jobs available. It's a slack year for tax appeals for a number of reasons. However, there are appeals albeit not the number many need to make their year a financial success. Now's the time for the good appraisers and attorneys who are the real specialists in tax appeal matters to shine and be re-recognized. The Principle of Competition says, '*profit breeds competition and excess profit breeds ruinous competition.*' That is what happened over the past few years. Entry level appraisers wanted in on the tax appeal frenzy and they did. However, all appraisers are not created equal. It takes experience and education and training with the really good appraisers and appraisal firms. Well, for all who want to do appeals and do them correctly and learn from the best attend the New Jersey NAIFA conference on April 16th & 17th. For those who only want the best tax appeal seminar with a mock hearing, just register for the 17th. Ever heard these names, Mike, Gilmore, Esq., Peter Zipp, Esq. Chelsea Skuby, County Tax Administrator, Jeff Horn, Esq. and some others, then register this week. Time is running out. The Mock Hearing is exceptional. Learn from the *best of the best*. It is an inexpensive investment in your future. Go to NJNAIFA.com and the site allows you to easily register. *Do yourself a favor and do it now!*

BECOME A PART OF THIS RARE EDUCATIONAL OPPORTUNITY!!!

DON'T BE THE ONE WHO HEARS "WHAT A GREAT PROGRAM YOU MISSED"!!!

NJNAIFA : APPRAISAL CONFERENCE
DATE : APRIL 16 - 17, 2015
WHERE : GOLDEN NUGGET HOTEL / CONFERENCE CENTER
HURON AVENUE & BRIGANTINE BLVD.
ATLANTIC CITY, NJ 08401
AGENDA : SEE ON FOLLOWING PAGES

APPROVED : 14 CEU's by - NJ APPRAISAL BOARD
3.5 CEU's by- NJ DIVISION OF TAXATION
14 CEU's by- NY STATE APPRAISAL BOARD

Can't commit right now? Walk-ins are welcomed and this year not an additional charge.

* Forms for the Assessors and CTA's shall be provided at completion of the session

*Forms for NY Appraisers shall be provided upon completion of each day. Must submit for credit.

Ladies & Gentlemen:

Many professional people have invested their time to develop the specialized seminars which are a part of this incredible "one of a kind" appraisal conference . They did it for you, not themselves. These pros are already accomplished and recognized statewide and some nationally. They don't need more accolades. They did this because they believe in the professions they have conquered and they want them to continue with new great talent. If that's you, then register now.

If you miss this conference, you have missed a fantastic opportunity to help yourself. Yes, there are CE's but that's only a side benefit. The real benefit is that you hone your skills and learn by experiencing truly great professionals present what they have developed and proved successful.

Registration is accomplished by going to the New Jersey NAIFA website, NJNAIFA.COM and selecting the lead line, *The 2015 49th Annual Educational Conference*. Highlight that and the pull down provides the options you have for registration. We look forward to seeing you there.

New Jersey National Association of Independent Fee Appraisers Annual Conference-

Program Highlights

Thursday April 16, 2015

7:00 - 8:00 am Registration

8:00 - 8:15 am — Welcome & Event Introduction

Albert M. Cerone, *IFAS, FELLOW, CTA, NJ-NAIFA State Director*

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8:00 - 8:15 am— Welcome & Event Introduction

Albert M. Cerone, *IFAS, FELLOW, CTA, NJ-NAIFA State Director*

8:15 am - 12:00 pm— Understanding & Using Comparable Transactions (7 Credits Pending)

How to identify and examine comparable properties, recognize their importance, and identify relevant characteristics therein. New National Course with 115 page student manual included.

Moderator: Wayne Sabota, *IFA, NJ-NAIFA Past State Director*

Speakers: Nena Henderson, *IFA, 2015 NAIFA National President, Edmond, OK* Peter Vidi, *IFAS, Past President of the NAIFA, Greenbelt, MD*

12:00 - 1:15 pm— Lunch

1:30 - 5:00 pm Understanding & Using Comparable Transactions (Cont.)

Discussion of key value influences, property rights, Highest and Best use, and units of comparison

6:30 - 7:30 pm— Cocktail Hour with hors d'oeuvres

One free cocktail included with dinner

7:30 pm — STATE CONFERENCE DINNER

Meet and network with fellow appraisal professionals, NAIFA Officers, speakers and guests.

Friday April 17, 2015

8:15 - 9:15 am— Impacts of Environmental Conditions on Real Estate

Directing the appraisers' attention to easily recognized or questionable environmental issues

Moderator: Chuck Blau, Esq., *IFAC-NJ-NAIFA Past State Director, NAIFA Past National President*

Speaker: Christopher Neuffer, *President of Envirotactics*

9:15 - 10:15 am— Business Valuations & the Income Approach

Insight into the incomes and processing of "same for business" valuations. The presenter will tie the process of business valuations to that of realty appraisal income approaches.

Moderator: Michael Lange, Sr., *IFAC, NAIFA Past National President*

Speaker: Juan Bellu, *EA*

12:00 - 1:15 pm Lunch

1:30 – 5:00 pm— Option A: Mock County Tax Board Hearing

A property owner with his attorney and expert shall present a case for appeal of assessment

Moderator: Joseph Ravitz, *IFA, CTA- 2014 NJ-NAIFA Past State Director*

Participants:

Tax Assessor - Megan Fasy, *CTA, IFA*

Attorneys - Jeff Horn, Esq. & Michael Gilmore, Esq.

County Tax Board Administrator - Chelsea Skuby, *CTA, Ocean County Tax Administrator*

Commissioners - Mike Jaeger, *CTA, IFAS*

Lou Bonato, *IFA, NAIFA National President Elect, Past NJ-NAIFA State Director*

Experts - Peter Zipp, Esq., *MAI*

Henry Mancini, *MAI*

1:30 – 3:30 pm— Option B: Point & Counter Point

An open debate between two participants with substantial court and hearing experience about several relevant appraisal /appraiser issues including - the necessity of cost approach; Highest & Best use vs. Current use; when to use a restricted report, and others.

Moderator: Frank Stearle, *IFAS*

Speakers: James Hanson, *IFAS*

Carl Mucciolo, *IFAS*

3:30 - 5:00 pm— Appraiser/Appraisal Liability Cases & Processes

Attorneys shall present cases in which they were involved discussing the issues, appraiser's position, and adversary appraiser's position

Moderator: Albert M. Cerone, *IFAS, CTA, FELLOW, NJ-NAIFA State Director*

Speakers: Thomas A. Harley, Esq.

Christina Ricker, Esq., *Winget, Spadafora, Schwarzberg, LLP, NYC, NY*

Full attendance offers: 14 CE Real Estate Appraisal Credit Hours –APPROVED

Individual Daily Credits are 7 per day (pending)

3.5 CE Administration Credits from the NJ State Division of Taxation—APPROVED

New York has approved the course content—Submit request form which are provided at the conference

NON-MEMBERS – Attend the full conference and join the

NJ-NAIFA by 4/17/2015 and receive a \$100 rebate

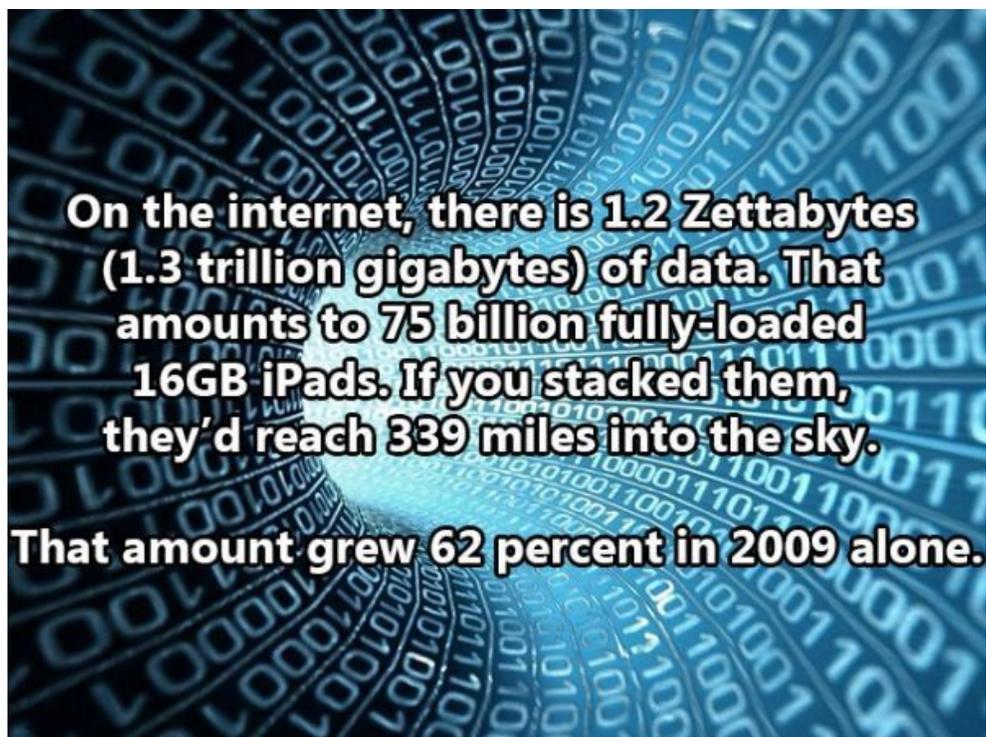
HOW DRAMATIC ARE THE CHANGES YOU'VE EXPERIENCED IN YOUR LIFE?

PLEASE GO TO THE NEXT TWO PAGES TO SEE !!!!

Facts that show just how far the human race has come !

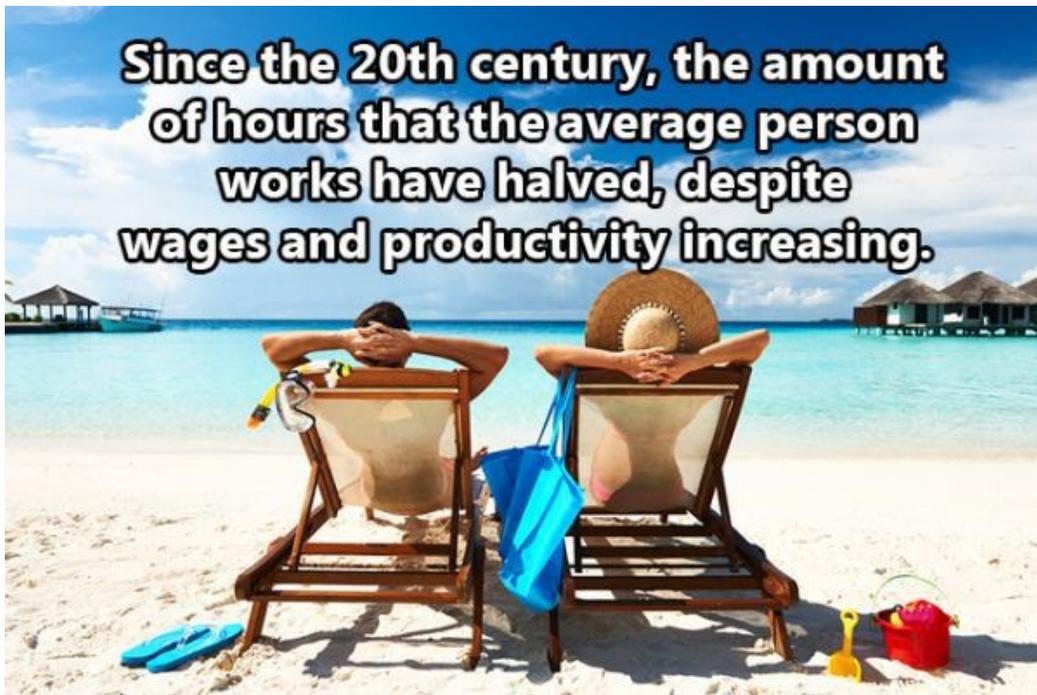
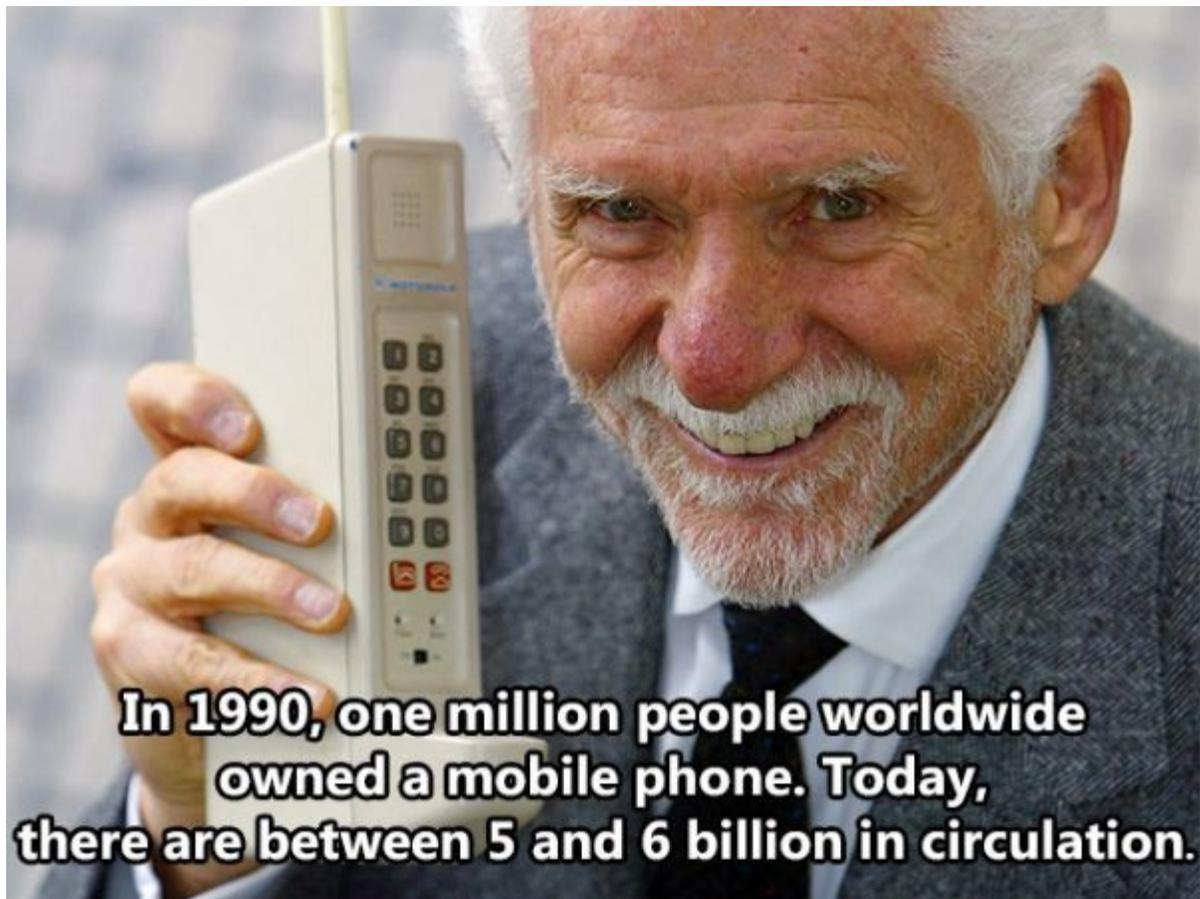


This 32 year-old hard drive weighs over 26 pounds and stores a massive 20 MB of data. The modern memory card on it is 23,000 times lighter and stores 3,200 times the amount of data.



On the internet, there is 1.2 Zettabytes (1.3 trillion gigabytes) of data. That amounts to 75 billion fully-loaded 16GB iPads. If you stacked them, they'd reach 339 miles into the sky.

That amount grew 62 percent in 2009 alone.



MORE TO COME IN THE NEXT EDITION