



# Amerival

REALTY  
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**MERRY CHRISTMAS & HAPPY CHANUKAH**

BY

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**KNOW THESE?-** Here are some terms which you may not be familiar. Give them some thought and you will find the understandings toward the end of this edition of the Newsletter.

**GROSS SCHEDULED INCOME    GROSS OPERATING INCOME    NET OPERATING INCOME**

*Please don't miss the **Professional of the Edition on Last Page***

**REMINDER: NJ NAIFA ANNUAL CONFERENCE-** Mark your calendar NOW!!! The NAIFA 52nd Annual Conference is scheduled for April 11 & 12, 2018, being held at the Tropicana Casino and Resort on the boardwalk of Atlantic City. It is providing 14 CE credits for the two days. The first day is USPAP and there will be a 2 hour seminar for NJ law as now required by New Jersey. I will keep you posted in my newsletters. Also, if you have any questions give a call or send an e-mail and I will make sure it is answered. You can go to NJNAIFA.com and that website will have information to assist you.

**LAST MINUTE AND EARLY 2018 OUT OF COUNTRY TRIPS-** This is a listing of the countries American citizens can go and take advantage of the U.S. dollar exchange to local currency. They are United Kingdom, Sweden, Portugal and China. There are 6 others but I don't recommend them based on danger, difficult travel and a much less rewarding experience one would wish to have for a vacation. Of the four listed here I can personally recommend Portugal and England, as we mostly refer as the UK. Both are very pleasant places and quite safe. The Portuguese are friendly and helpful and their food is very much in line with Spain, Italy and France, in that order. England is like being home. The people are so polite and very helpful. I've never been to China, but my son travels there regularly. He says it's very exciting and has much to offer but you should have a guide because there are some dangerous places. Wherever you opt to go, I hope you have a wonderful time. Realize a good vacation is not based on the monetary exchange rate. Frankly, the best is Italy, but then again, I'm very prejudiced.

**BITCOINS-** We are seeing more and more articles about bitcoins. It gives one an ominous feeling and rightfully so, as it avoids any sort of formal banking control. There is no central bank. All transactions are between the two entities with no middleperson. The concept was created in 2009 by allegedly Satoshi Nakamoto, which is believed to be an alias, which would be my choice also. However, it is a currency. You can buy many items on line, like games, hotel rooms, etc. Frankly, the concept is excellent. There is virtually no record of the transactions. It avoids credit card fees, taxes and governmental controls, at least not yet. Some are purchasing bitcoins as an investment with the obvious hope that each will rise in value as the time goes on. (CON'T)

Courtesy of

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**GROSS SCHEDULED INCOME-** .GSI is the annual rental income a property would generate if 100% of all space were rented and all rents collected. If vacant units do exist at the time of your real estate analysis then include them at their reasonable market rent.

$$\text{Rental Income ( actual) + Vacant Units @ market rent = Gross Scheduled Income}$$

**GROSS OPERATING INCOME-** GOI is gross scheduled income less vacancy and credit loss plus income derived from other sources such as coin-operated laundry facilities. Consider GOI as the amount of rental income the real estate investor actually collects to service the rental property.

$$\text{Gross Scheduled Income (-) Vacancy \& Credit Loss + Other Income = Gross Operating Income}$$

**NET OPERATING INCOME-** Operating expenses include those costs associated with keeping a property operational and in service. These include property taxes, insurance, utilities, and routine maintenance. They do not include payments made for mortgages, capital expenditures or income taxes.

**(CON'T)** - There are exchanges called “bitcoin exchanges” which allow the public to purchase the coins with their currency of choice. To the best of this writer’s knowledge there are no governmental controls over the operations of these exchanges. The three most recognized are Coinbase, Bitstamp and Bitfinex. As proof to my prior statement, Bitfinex was hacked last year and tens of millions of dollars were stolen, so you really don’t know if you have usable coins and if so what would be your exposure.

The public can send bitcoins to others using a telephone or computer, just as is done today with cash digitally. This new currency is the one of choice of drug dealers and other unscrupulous individuals or syndicates for illegal arrangements. People can win bitcoins by playing math competitions and whoever solves the problem wins 12.5 bitcoins and this is done about every 10 minutes. One must remember that there is no governmental or concrete bank controls and no transaction is backed for security for anyone. There is a log of entries of transfers but no names are involved. I would think there are some computer whizzes who would be able to break into the system and discern the participants. It is my totally unprofessional opinion that although the concept is good, the lack of control creates a danger to the public. If one is only buying a \$50 or \$100 item with the coins, you can only be hurt by that much, but any other endeavors of significantly more money is at this time a serious gamble. Always remember, when the plan is to avoid fees, taxes or whatever, there will be someone who will find a way to take advantage of the system. Someone once said, “there is no honor among thieves.” And, if anyone is taking advantage of this system they are trying to avoid legal financial obligations; and, how would that play out in a court of law when a harmed party tries to sue the perpetrator of a theft. I doubt very well.

So, I suggest you use your credit card this holiday season and pay the fees.

## **HAVE A VERY MERRY CHRISTMAS & HAPPY CHANAKAH**

### **THIS EDITION'S SELECT PROFESSIONAL**

**Chris Neuffer, President, LSRP, of Envirotactics Inc., 1330 Laurel Avenue, Bldg. 3, Sea Girt, NJ 08750; Tel.732-449-0077; FAX-732-449-5810**

Mr. Neuffer began his business in 1995 and it has grown to be one of the most recognized and accomplished environmental resource companies available to the public. The firm under Chris’s guidance now employs environmental professionals with diverse professional disciplines, i.e., Licensed Site Remediation Professionals (LSRP), risk based remediation specialists, ecologists, geologists, hydrologists, professional engineers, project managers, subsurface evaluators, asbestos building inspectors and land use and wetlands specialists. WOW!, now that’s growing a company from a one man operation in only 20 years. We have known Chris for about 15 years and we have many mutual acquaintances. We all recognize the incredible abilities of his firm and more so, the family attitude Chris has created. His client base is constantly on the rise with the oldest firms, municipalities and public that are still with them. The reason is simple, Chris set the tone of how to create symbiotic relationships with his clients by bringing them on a family level, not a dollar and sense relationship. Call Chris and Envirotactics and you will believe you have a family member in the business.

