



Amerival

Realty & Valuation Newsletter

FEBRUARY 1, 2016

Issue 218

HOW IMPORTANT IS WINNING?

BY

Albert M. Cerone, IFAS, FELLOW, CTA

Director Of Operations:

Albert M. Cerone

Regional Realty Associates:

Dan Warthen, Jr.

Jay Jurasek

Dave Kaytes

Peter R. Vidi

Louis A. Bonato

James Hanson

Associate Professionals:

Michael Cannon, P.E.

Bob McCook

Juan Bellu, EA

Rich McCabe

Of Counsel-

Michael C. Paxton, Esq.

WELL, HOW IMPORTANT IS WINNING? There is a commercial on TV which shows a dad changing his son's trophy labeled "Participant" when his son's team won all their games. The dad pulled off the label and printed across the space "Champion". I presume the choice of "participant" is an attempt to put "winning" in its place or possibly an extension of Political Correctness. I see both sides of that and there is likely no right or wrong at least in my mind. Think as you will.

The real question is does wanting to win constitute a character trait problem? Let 's consider the oldest generation still in play in the United States. That is the Baby Boomers Generation which is typically recognized as those born between 1946 & 1964. Did you know that those born between 1920 and 1940 were known as the Silent Generation? I didn't. Presumably they were those born after WWI and before WWII. Yes, they had the depression in there in the 1930's along with prohibition. Maybe it was because of those impacts that the typical American public just absorbed the punishment and didn't fight back or didn't know how to fight back. It was a time at which most American's were hard working lowly paid people. They may have been too afraid to complain as they couldn't afford to lose their jobs. Also, in those times no one challenged the government because it was "the government". Today's society is more astute and bold to question what has the appearance of being wrong. In the writer's opinion this group is not the one which began the race to "winning".

The Baby Boomers and the generation immediately after being Generation X which is those born from the mid 1960's to the early 1980's. This generation was driven by global politics headlined by the Vietnam War, the fall of the Berlin Wall and the end of the Cold War. They were a more diverse society than the Baby Boomers, but did share in common the want and will to succeed or *win*. This group was fueled by the sage (?) advise of their parents and family of the Baby Boomer age. They wanted their kids to succeed and so many made certain that this new generation was prepared to win, thus the enormous influx of college students.

This didn't equate to success. It did, however, equate to the *need* to succeed and win at whatever they were to do. We all know how they really worked but it was the "times" and it was all very well intended. Today we are hearing we need more electricians, butchers, HVAC people, etc. College is no longer the golden path to success and winning. Being a doctor or lawyer was considered being the holy grail of success. Hey, we are blessed to have some who do so much to make life better for us. But then which seems typical may not be long lasting. Innovations and inventions often become the bane on employment. An example, gas stations use to be the place to have your car fixed. Today the cars need a computer which gas stations can't afford. **(CON'T)**

Courtesy of

Amerival

Tel. 732-286-3000

FAX 732-612-1400

Email & Web

myappraiser.amerival@ymail.com

<http://www.amerival.net>

(CON'T) What is left is pumping gas and oil changes and other very minor fixes. If New Jersey changes its laws and allows the public to pump their own gas as most states allow, there will be full time and part time jobs no longer available. I had an aunt who always told us over the dinner table, “we need a nice plumber, not another college graduate.” Many of my friends are attorneys and doctors and they all say the same thing, “I don’t want my kids to be a lawyer or doctor.” Maybe we had a warning during WWII. An interesting anecdote, during the war there was a hiring add in the New York Times which said, “elevator operator needed. A doctorate degree in engineering is required.” No, I wasn’t there, but supposedly a company recognized the lack of work for certain very educated people and it was decided that by putting degree programs as a requisite, these people would be able to earn some type of living.

THE HOUSING MARKET- The chart to your right is very interesting. Again, it’s a national expression not regional. But it tells an interesting tale. It depicts a dramatic upswing for the time period between peaks in the housing market. From the mid 60’s one notices relatively minor movement with the next drop starting in the very early 1970’s. Most likely the Vietnam War was the driving force of the drop. Remember the draft was in effect and the vast majority of the draftees were in their late teens to mid twenties with the latter mostly due to graduating college students whose status was changed to 1A almost immediately upon graduation. Marriages occurred much earlier in those years than they have for the past 20 years. Notice the uptick once the conflict / war was over which was in the lower segment of the mid 1970’s. Each one of the swings was based on economic conditions or happenings. In the early 1980s I believe there was an oil and gas crisis. The dramatic increase in the mid to late 1990’s was the feds opening the flood-gates for mortgages. In 2003-4 the real estate market became aware of the dangers of the mortgage schemes that were perpetrated on virtually an unsuspecting public.



The time periods are interesting in that it reflects a total upswing in the length of time between peaks. There is a consistent increase from 7 years to 16 years. And in 2005 the result of the problems of the early 21st century with out of control mortgage financing took their toll for about 9—10 years. And, then the upswing began and there are signs of an increase. The CEO of Zillow states that over the past 2 years or so there has been nationally a 3% per year increase in housing values. This is not a political discussion by any means. We must realize that the upcoming presidential election results will have a very serious impact on housing as part of the economic changes that will drive housing as part of the national changes that will occur. The only advice this writer has is go and vote your beliefs. The term of the present cycle will be based on the results of the 2016 elections which makes each of us responsible for the resulting impact on housing.

Some very interesting stats from Zillow. There is a direct correlation between home ownership and political positions. Apparently, the politically conservative homeowners comprise 40 percent of the market while 25 % are renters.

Another interesting statement is that those in the market for homes should research their Realtors thoroughly to include time in business, sales and listing productions. In addition it is wise to know the accomplishments of the Realtor you are considering as to those production numbers in the area in which you wish to buy or are intending to sell.

Lots to think about. Go slowly and make informed decisions. Good Luck.

UPCOMING NEW JERSEY NAIFA 50TH ANNIVERSARY APPRAISAL CONFERENCE-

Dates: *April 12 & 13, 2016*

Place: *Harrah's Hotel in Atlantic City, NJ (777Harrah's Blvd.; Tel. 844-619-0667)*

The 1st day will have the 2016 & 2017 required 7 hour USPAP seminar. So don't miss the first opportunity of a professionally presented USPAP seminar being conducted by a highly recognized and sought after national instructor from Tennessee.

The next day will have several offerings of which one is a Land Use Seminar which will have 2 highly recognized land use attorneys and a New Jersey land use expert with years of successful experience and published in the specialty. This will be followed by a mock land use hearing featuring the two attorneys from the seminar and the expert who shall be chairman of the board accompanied by a partner from a New York law firm with high powered experience. They will present a land use case which will be decided by the board and then decided by the audience. Don't miss this!! Ask those who attended last years conference in which there was a mock tax board hearing that 150 people were absolutely thrilled. This will be at least as good.

Also scheduled is a 5 hour special FHA seminar to be conducted by Tom Munizzo, a former NAIFA national president. Mr. Munizzo, a highly recognized speaker throughout the U.S. with an exciting flair.

There is also a new real estate law seminar required for NJ appraisers which will be presented by Joseph Palumbo, a member of the NJ Appraisal Board. He was responsible for some of the success our 2015 conference enjoyed with the NJ board update.

And, an exciting and novel 2 hour "*edge of your seat*" seminar entitled "Weird and Unusual Assignments" which will be presented jointly by Chuck Blau, Esq, IFAS, Carl Mucciolo, IFAS and John Marrazzo, IFAS, all past NJ State Directors.

Keep watching for updates. Go to the NJNAIFA website for up to the minute updates for the seminar. The website is <http://NJNAIFA.COM>.