



# Amerival Realty & Valuation

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## BUSINESS SURVIVAL

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.

**Contributory Negligence**

**DSCR**

**DOD—FRANK BILL**

*Please don't miss the **Professional of the Edition** on the following page.*

**THE OLDEST BUSINESS IN NEW JERSEY-** The oldest business in New Jersey is the Barnsboro Inn located at 699 Main Street in Sewell. It was established in 1720 and licensed in 1776. Yes, there is a liquor license. There is breakfast, lunch and dinner. The prices aren't out of the ordinary which means average as you'd find in most central NJ towns. I've never eaten there but it's cool to be at the oldest business in the state. In New York it is the Saunderskill Farm Market which was opened in 1680 located in Accord, NY which is outside Rochester. It has its own farm which is their produce source. It is located at 5100 U.S. Highway 209. It's not large but everything according to reports is fresh. You can sit outside and enjoy a breakfast or lunch at the pond. The downside is although it looks like an old time farm market it has NYC prices. But what the "hey". Connecticut has Field View Farm established in 1639 and is a dairy farm and farm machinery manufacturer. It is located in Orange at 709 Derby Avenue, Route 34 on the East side of the Housatonic River and East of Shelton. And, in Pennsylvania the oldest business is Rowland Company in Philadelphia which is a distributor of industrial power transmission products. It was established in 1732, comparatively young compared to some of the others.

Now, why these tidbits of which some would by many be consider insignificant? That's easy. Some of these long lived companies have survived because they learned to adapt. Which means they learned to accept change and to use it to their advantage. This is a great business lesson. Many professionals have faced dramatic changes in their fields of endeavor and those that were able to adapt to those changes have survived.

Others have gone one step further and have made those changes work to their benefit and increased production and profit and margins. Yes, there are changes that have proved in the past to be the demise of ongoing businesses. Archaic, yes, but the horse and buggy deliveries of the early 1800's went by the wayside with the advent of the train and motorized vehicles. Biplanes became jets and rockets to the moon for those that could take advantage of the changes and new inventions and technology. The typewriters are becoming antiques for collectors and computers are the thing. If you can dream, you can imagine the changes that will occur. When the auto industry has the self drive car perfected in the very near future, cab drivers will no longer **(CON'T)**

Courtesy of

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## ***Contributory Negligence -***

A rule that can reduce the amount of compensation that a plaintiff may receive if the plaintiff's actions are found to have increased the likelihood that the incident occurred. Contributory negligence is used as a defense by defendant, the party that is being sued for damages.

## ***Debt Service Coverage Ratio (DSCR)-***

In corporate finance it is a measure of cash flow available to pay current debt obligations. The ratio reflects net operating income as a multiple of debt obligations due in 1 year, including principle, interest, sinking-fund and lease payments. Current assets minus current liabilities. In the U.S. finance, it is the amount of export earnings needed to meet annual interest and principal payments on the U.S.'s external debts. In personal finance it is a ratio used by banks to determine income property loans. A DSCR greater than 1 means the entity, person, corporation or country has sufficient income to pay its current debt obligations. A DSCR less than 1 means it does not.

## ***Dodd-Frank Wall Street Reform & Consumer Protection Act-***

A 2010 response to the financial crisis of 2008. It established several new government agencies overseeing the banking industry. 2,300 pages of text which has created more trouble than it was intended to fix. Needs fixing itself.

be necessary. If laws change and tax codes become very simplified, what will the attorneys and accountants do? It's rhetorical. They will likely change their specialties to others which require interpretation and assistance. If the laws governing marijuana are changed to allow the sale and distribution of the plant, how many attorneys will be affected and to what extent. My guess is for a lot of fees that will change their lifestyles.

As for appraisers, be aware, there are changes in the makes and have been for over 10 years to find ways to change the valuation system and means of controlling the outcome of an appraisal. The primary focus is mortgage appraisals. Appraisers use to be able to say the condition of the property is "average". Today they must use a code which I believe is C3 or C4. Think about this, unless the public has reason to be apprised and latches on to the coding which is extensive and dramatic, they will never know what it all means. Ironically, the coding is actually less accurate and is misleading because without the opportunity to interpolate accuracy can be seriously compromised and the current coding doesn't allow the appraiser to say C3/C4 according to my source. So, it reads less succinct information to the reader. In addition, all lenders and other entities are providing a central data bank with all appraisal, assessing and property insurance information which is being used to develop algorithms which ultimately will allow for the valuation of all components and properties with no human assistance. Until that time it is providing a reviewing opportunity for lenders who then can demand of appraisers specific explanations for any of the appraisers determinations in the valuation that do not fit the algorithm result model whether truly value pertinent or not.

Clearly, the best appraisal from a clarity perspective is a narrative report. This does not mean an appraiser cannot explain the points of clarity in one of the form reports. That explanation very likely is not in the same location as the point of question, whereas in a narrative report it can and should be at the point of discussion.

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

Edward F. Liston, Jr., Esq.

Edward F. Liston, Attorney At Law, 207 Hooper Avenue, Toms River, NJ 08753, Tel. 732-244,5900.

Mr. Liston has many years experience and has gained the respect of the legal community throughout Ocean County. He has multiple disciplines as an attorney, but is recognize as a tenacious adversary in land use matters. That which separates Mr. Liston from the norm of the pack is he is pragmatic. He is not taken with himself or his command of the law (of which he is eminently qualified), but of the people or corporations he is representing. His approach is to appeal to the common sense of the attendees in a hearing or trial with words and concepts with which they can relate. The theory and statistics take second place with Mr. Liston. He breaks all the legal positions of strength for his clients down to everyday occurrences and happenings...in other words, he brings his position "home" for the people to clearly understand and then with which to agree. His success rate speaks very highly of his abilities. For those considering a land use matter you should give Mr. Liston a call. He very well may be a great choice for you. And for those litigation support people, you may want to try to contact him. He's very easy to work along.