



Amerival

Realty & Valuation Newsletter

JULY 15, 2015

Issue 205

DON'T BECOME A VICTIM !!

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AND YOU THINK YOU KNOW IT ALL!- I certainly hope you read the entire newsletter. Look at the photo at the top left of the heading. If you read through the newsletter you will learn the secret to the Solo Cup which has been in existence since 1936. The secret will be within one of the articles.

HAVE YOU LET YOURSELF BECOME VICTIMIZED?- This is not a lecture from one of my seminars about avoiding being sued because of your work. It's a disturbing re-counting in part of how one appraiser became a victim to fraudulent activities. The saying, "all that glitters is not gold" rings true to this appraiser. Now, the appraiser admittedly was best described as a novice when this occurred. Today, the appraiser is one of the finest I've had the pleasure of knowing; and, is a wonderful example of what an appraiser should be.

He was contacted by a person involved with a few developments in a hot area back in 2005 & 2006. If you remember, it was that time when *all* real estate just simply went up in value every month. Development was hot and sales were booming. This new contact promised ongoing work in what on the surface was an in-demand project. This was partially true and readily been accepted because all the media rhetoric was filling the airwaves and publications with the "golden times" stories.

This created a problem for this appraiser in that somehow it takes the focus off what in lesser in-demand times, appraisers would have been more cautious. In short, the appraisals were part of a mortgage scam and unfortunately the people who sought the appraisers capabilities ran the fraudulent scam. The buyers were fairly qualified but didn't have the on hand resource for the necessary down payments and closing costs. Through a well thought out scam these people were "straw buyers". A straw buyer is a person or persons who are not buying for themselves but for the organizers of the scam to rent the units and then sell them for a profit. The straw buyers knew what they were doing which made them all culpable in this fraud from which they also received money. Once discovered by the authorities the appraiser was dragged into the investigation. Yes, he was not

charged by any law enforcement agency. However, the appraiser endured two (2) years of questioning and the cost of an expensive attorney. It is recognized that the law is not always just. A perceived guilty individual is found innocent which is relief but becomes one of the victims do to the emotional strain and stress coupled with the expense trauma for which one cannot be compensated. There was no one to sue as the feds and IRS became owners of all assets of the perpetrators of this fraud. Clearly, being free of this ordeal was little compensation for that which was endured. The lesson is appraisers need to be alert of large influx of work from one source. Be careful!

Courtesy of

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BABY BOOMERS— Here is an interesting fact. Over the next 18 years 8,000 baby boomers will turn 65 *each day, got it, each day*. Solo Cup— The Red Solo Cup has risen to iconic stature. In the early 1970's the red plastic version with marked elevated lines was introduced. It is said that it was because colleges became party schools and needed non-glass drinking cups. It was meant to be a measuring tool for drinking. The very bottom line was for 1 ounce shots; the next marker was for 5 ounces for wine drinkers; the next was for 12 ounces for a typical can of soda or beer and the 16 ounces (1 pint) and the final 18 ounce was for overflow for ice.

Now, as for the baby boomers the question that is being discussed is possibly the baby boomers need to trade down from their homes. Well, the typical reasoning is that they are mostly empty nest scenarios with all the kids out on their own. However, there is quite a movement of late 20's and early 30's *kids* moving back in with mom and dad because they can't afford the "cost of living expenses" as singles. Aside from that scenario, it does make sense for the baby boomers to downsize.

Firstly, for those who can retire, the conservation of funds is a good thing. Therefore, many are able to take advantage of the equity in the present house. These funds can be used for that "always wanted to go vacation." Let's face it, memories are the only asset we have that can't be taken from us. Another benefit of downsizing is that the cost to operate a smaller abode can be considerably less than the family dwelling which is left for another family to call home. Another point is that one can move to a more affordable town or state (and will the last person leaving New Jersey please shut out the lights). And, lifestyle upgrade becomes possible. So many of the adult communities are like country clubs offering a myriad of services and recreational opportunities. Last but not least is getting rid of "stuff". You've heard this before. If you look around your house and just count the "stuff" (those things that are not needed to live but you just like) you will be surprised at how empty your home would be.

Today, it is likely downsizing would be in most baby boomers best interest. However, it is very difficult to change. It is understood that next to the death of a loved one moving is the next more difficult happening with which to consider and then accept. I remember the sadness a great aunt endured as I took her from her Summer bungalow which she and her deceased husband had built and enjoyed for so many years. Not a whimper but her eyes and face were screaming, "why is it ending?". So, if you are a baby boomer, be prepared for a very emotional transition from the home (not house) that you knew so well and was your safe haven everyday you came from work. If you are the son or daughter of a baby boomer, don't be too effervescent with your persona when dealing with Mom and Dad. What you see as a smart financial move, is the end of possibly 10,000 days of memories which includes so many of you. So, be supportive and give a lot of love which is the only emotion which can soften the blow. And, then spend as much time with them as you can so they realize that memories are ongoing and as beautiful as the ones they thought they left behind. Please, don't try to rationalize with them as you will be dealing with the wrong issue. Hey, I learned from experience with my parents. Thankfully, it does all come together but not right away. Be patient, please.

HOME PRICES INCREASE- Announced just last week, Corelogic indicated that home prices rose year over year as of May this year by 6.5% nationally. In that it is a very wide number for all of the United States, it is a positive trend. The breakout by state was not indicated. Based on published articles states such as Florida, California and Texas are experiencing strong price recovery. Building activity is up particularly in Texas. In Florida it is understandable that there will be increases do to the large foreclosure inventory they have. Prices have to be going up. The element missing is who the buyers are. The last indicator I have seen is that nearly 40 % of purchases are from investors. Thus, there is then very little movement from the American public. But let's not be negative. Again, overall for the country the 6.5 % is a positive number.

FORECLOSURES- More positive news. The national foreclosure rate fell to the lowest level since December 2007 at May of this year. Foreclosure inventory in May dropped to 1.3% or 491,000 units in May down from 1.7% or 676,000 units in May 2014. Mortgage delinquency also declined with only 3.5% of total inventory which was a 22.7% decline from May of 2014.

So, in all there appears to be some light at the end of the rainbow. Let us not forget that our market is segmented which means some parts are doing well and others simply are not.

LIGHTER SIDE-

On a Plumber's Truck-

“We repair what your husband fixed.”

On an Electrician's Truck-

“Let us remover your shorts.”

In a Non-smoking Area-

“If we see smoke, we will assume you are on fire and take appropriate action.”

On a Maternity Room Door-

“Push. Push. Push.”

At a Car Dealership-

“The best way to get back on your feet is to miss a car payment.”