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WHERE DOES VALUE LIE??

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FLAG DAY- Ladies and Gentlemen; this is not stepping outside the intent of this bi-monthly newsletter. It is well within the intent. The lead line above, "Where Does Value Lie??" is the primary question; and, the answer is our value, Americans' values in land, buildings, possessions are provided because we are in the United States. The value of our real estate, business and personal belonging holdings is created by where we live. Our country provides it's citizens the right to property ownership, the right to use our holdings in safe and legal ways with very few restrictions. For realty there is the *Bundle of Rights*, a concept of the creation of ownership and resulting value. There are six;

Right to buy and sell

Right to use

Right to enter and leave

Right to lease

Right to give away

Right to do nothing

These are very basic concepts but are that which the public understands without the typical confusing and often convoluting verbiage. All is in place because we are in the United States. Our flag represents the strength and perseverance of our country. Our history clearly shows that the American fighting forces would not allow the flag to hit the ground or remain there if the bearer was incapacitated. The next fighting person would pick it up and continue a charge or show of commitment. There are those today who believe the flag represents oppression and global financial and / or political power. Have you wondered how an *inanimate* thing did that? It's amazing how some of our time choose to dishonor the flag in the name of past events they perceive as contrary to acceptable acts (in their minds). Some of the arguments are, the treatment of the Indians by the Pilgrims, treatment of the Indians by the U. S. in Westward expansion; creating slavery and the mistreatment of immigrants over the years. In our understandings and knowledge today the reality of those times is (but not was) brutal and true. Those who choose today to judge those of the past under today's understandings have that right, and I respect that right. It exists because so many gave their lives under our flag to provide it.

I believe a condemnation of our flag is a condemnation of those who fought under it. Imagine the reaction of the brave men and women buried at Normandy, Punch Bowl and Arlington hearing this condemnation. Convince their remaining families that their loved ones died for doing wrong and under a banner of hate and greed. I pray that those of us who are proud of this country and the Flag scream louder and longer than the very few using the flag as the rallying point for what *may* be cloaked anti-Americanism. Let's hope our educational systems disallow personal interpretations of the actions of former leaders and military. Yes, teach the happenings of the 16th—19th centuries but not with the 21st century mindset of the very few. They have the right to speak because *of the brave of those times under our flag. (CON'T)*

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(CON'T) Ask the people of the world how relieved and happy they were to see the American flag enter their cities. Today, June 14th each year is Flag Day which is the date the Second Continental Congress so deemed in 1777 by resolution. The U. S. Army also celebrates the Army Birthday. In 1916 President Woodrow Wilson issued a proclamation officially establishing this date as Flag Day. In August 1949 this date was established as National Flag Day by an act of the Congress of the United States.

BIG PICTURE– As the heading asks, “Where Does Value Lie”? Housing seems simplistic, a house on a lot and real estate people running around showing the good and the bad. That’s not the housing market. It is much more complicated and has it’s roots in the general economy and the controlling factors. For instance. The GDP (Gross Domestic Product) which replaced the GNP (Gross National Product) as the measurement of the U.S. production. GDP is the total market value of goods and services produced within the boundaries of the U. S. by all people and entities. GNP is the total market value of goods and services produced in and out of the boundaries of the U. S. but by U.S. citizens and companies. This excluded production within the U. S. by foreign companies and entities. The GNP was discontinued as the measurement in 1991. Frankly, the former was a more accurate portrayal of production and the change was made to make the U.S. appear stronger. Regardless, here’s the issue. The Commerce Department reported that the GDP grew at (+)0.2% annual rate in the first quarter 2015. However, a survey of economist revealed that they expect that to be adjusted to a (-) 1.0 %. The chart reflects the continued downtrend of Real Gross Domestic Product from 3rd Qtr. 2014 to adjusted 1st Qtr. This doesn’t bode well for housing.

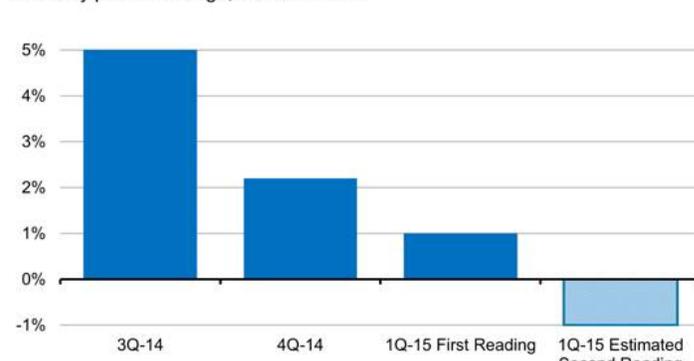
PENDING HOME SALES- The future is always up in the air and opinions change and more importantly happenings change and so goes the market. The Commerce Department also believes the Spring selling season for housing is doing well and that’s great to hear. Pending home sales are based on contracts signed but not closed. That’s why I say, things change. A tick up on interest rates, a glitch in mortgage approvals will change the momentum quickly, although not anticipated at this time. The index has risen for the past 3 months. Hopefully it will continue.

The impacts to housing are gas prices and energy costs. Gas at the pumps is going up each week. Many rely upon gas heavily for their work week travel. The higher the prices the less “in pocket cash is available to the family. The same for energy consumption. The cold Winter brought higher energy consumption and prices. A hot Summer will increase electric bills for the consumers and dramatically. This also will put a crimp in their expenditures and possibly moving decisions. Based on all of this housing is not safe. This is reflected in the Consumer Confidence Index. Consumer confidence grew through 2014 with a few glitches. The present glitch for 2015 is greater than any in 2014 thus far. So, the public is becoming more wary. The greater positive movements are on the West coast, Midwest and portions of the South. Sorry, it’s really not recognized much in the Northeast.

SOME THING OF GENERAL INTEREST- In 1930 65% of the 80 million US public attended movies. Not even close today. It’s a changing world.

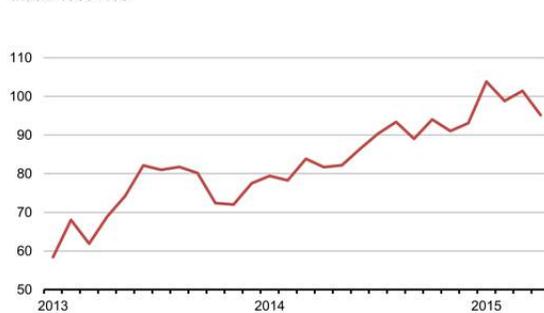
Walt Disney was not the cartoonist behind Mickey Mouse. An animator, Ub Lwerks animated the first silent cartoon, *Plane Crazy*. He actually taught Disney how to draw Mickey so he could pen that wonderful character from that point forward.

Real Gross Domestic Product
Quarterly percent change, at annual rates



Source: Commerce Department, WSJ Survey | WSJ.com

Consumer Confidence
Index: 1985=100



Source: Conference Board | WSJ.com

Facts that show just how far the human race has come



Since 1961, the amount of food we produce has increased by 25%. Around 2% of the population now produce enough food to fill the bellies of every single person on earth with 2800 calories per day.



We upload 100 hours of video to YouTube every single minute. That's 16 years of recorded human history every day.

MORE TO COME IN THE NEXT EDITION