



Amerival Realty & Valuation

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SUMMER HOLIDAY TIME IS HERE!

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.

FORMS OF UNEMPLOYMENT

BRIDGE LOAN

DEPRECIATION RECAPTURE

CHATTEL

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

AN APPRAISAL IS AN APPRAISAL— And, this isn't true. All appraisals aren't really appraisals, as one would think and want or better *NEED!* In the course of my appraisal practice I often am provided with appraisals from others. It is distressful to read many of them that fall short of true appraising. Before I go further, there is a caveat to this. Most appraisals are completed for mortgage purposes which today because of specific demands of the mortgage companies and banks and recognizing the income needs of appraisers result in scant or flimsy appraisals which barely scrape the basic needs set forth by regulations by which appraisers are to abide. I don't hold the appraisers accountable for the failing in this regard. They are far too often underpaid. The natural solution to inferior pay is do less work. Legally and ethically it is wrong, but pragmatically it is understood and basically accepted. That's the problem with mortgage appraising which hopefully can be changed. Time is of the essence in mortgage work and the old saying, "haste makes waste" is the most appropriate way to interpret the "time" issue. Maybe one of these days, lenders will open their eyes and see that they and virtually they alone are responsible for sales that likely should have been avoided and less than acceptable appraisals. Making the appraisers rush and work for less than their worth is the reason the public has had the bad experiences and still are which will come out in the next downfall of the mortgage market.

This is not to say that some appraisers aren't their own worse enemies, as they are. They are using the lower

CON'T- fees as a sales tool. They will work for less and as a set-off they produce a lesser appraisal by terming it a "restricted" report. There is such a thing, but it is for people who retain an appraiser and are intimate with the property (keyword is intimate). Any other reader doesn't fall into that category and therefore, that format appraisal is not appropriate for an assignment. For any court or board appearances in which this format is used is not appropriate. An "appraisal" must meet the dictates to satisfy that format of "Appraisal". For the attorneys, accountants, public, etc. don't use the intent of "cheap" as the answer for your professional needs. My father always said, "Buy cheap, Get cheap!" Don't fall prey.

Courtesy of

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BRIDGE LOAN-

A short term loan used to transition in between the payoff of an existing loan and the inception of permanent financing. This is often used to build or purchase a new dwelling, when the previous home is still owned, but is up for sale. Once the previous house is sold, the owner receives the proceeds from that sale and the permanent financing goes in place.

DEPRECIATION RECAPTURE-

Most recapture scenarios involve commercial real estate. Best explanation is via an example. Let's say a person buys a house for \$800,000 and uses a portion to run a business. Let's assume that the depreciation applied equates to \$8,000 annually. Five (5) years later the house is sold. The seller, business owner, has taken \$40,000 for the ownership period. Let us also assume the house was sold for \$950,000. The house is a depreciable asset then his profit is based on the depreciated value (\$800,000 - \$40,000 or \$760,000). It is not based on his acquisition price. Therefore, the sale at \$950,000 generates a \$190,000 profit, not \$150,000. For tax purposes this person must declare a recapture gain of \$190,000.

CHATTEL-

An item of tangible movable or immovable property except real estate and things (such as buildings) connected with real property. More precisely; "chattel personal" is what is defined prior and as examples, furniture, domestic animals, etc.. Then there is "chattel real" which is an interest in land less than a freehold estate of which a lease is an example.

BEST FOOD IN AMERICA- There are some things that need reporting because; just because! Pinterest did a survey of it's following as to what the best food is in each state. I had to provide this "tell tale survey". In Maryland it is not crabs, but scallops. However, in Delaware it is Crabs. In Louisiana this isn't surprising that it's shrimp but not just plain shrimp but shrimp pasta. Some may be surprised how the accompaniment is pasta, but it shouldn't. Many Italians were sent there during the huge immigration period in from 1915—1929 +/- . Now, here are some very odd results. In New Hampshire it was reported that Martini's were the choice. I'm on board for that, but a food? Then, there is New York, and it is Falafel. I think it is surprising to many of us because of our proximity to NYC which most of us immediately think of when we hear "New York". My guess would have been pizza. According to this survey the most eaten food in the United States is Smores. Congregating near the top are pizza, hot dogs, hamburgers, corned beef sandwiches and of course PB&J.

Parade Magazine listed the top 10 ethnic foods eaten in the US. #1 is Chinese, the Mexican, Italian (at least some people have good taste), Japanese, Greek, French, Thai, Spanish, Indian and Mediterranean. Of course these are regionalized, other than the melting pots like New York City, San Francisco, Chicago and Philadelphia. The other major cities are not as much the melting pots of those just listed hence their most sought cuisine is driven by the locals with less European and Asian influence. But we as Americans are blessed with wonderful food throughout this great country.

THIS EDITION'S SELECT PROFESSIONAL

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Some people have said that I only focus on those who have chosen to work with us. Well, not true. But to make a point, I offer this writing on behalf of Mr. Vanarelli. He accepted an appointment with me at his offices in late December of last year. We have yet to be able to work together but it's not the purpose of this section in my newsletters. I look to make our many readers aware of various talents and benefits of doing business with those whom I write. Mr. Vanarelli and I and one of his assistants spent a very pleasant and beneficial hour or so. Why, him? Because he had the good sense to open his mind and invest in meeting a business person with whom there may be a mutually beneficial relationship. In today's age, that is not common. What I learned of him is he is dedicated to his clientele. He invests personal time with each of the clients. They are not panned off onto an assistant (and the one whom I met convinced me that she is very capable). Mr. Vanarelli has obviously invested time in training and directing his staff, a lesson forgotten by so many professionals and executives. He has been recognized by many over the years, so I'm not alone in recognizing the abilities and talent of this special person. He also has a newsletter which I suggest you apply to be added to his list. It is well done and is a tribute to whom he is; and will benefit you.

A phone call to him is a great idea. So, take the time and get introduced to a man who truly cares about people.