



Amerival

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DOES ANYONE KNOW WHAT'S GOING ON??

BY

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NJNAIFA CONFERENCE- On April 16 & 17, 2015 the NJNAIFA held its 49th annual appraisal conference in Atlantic City. I know we inundated you with notices. With the help of Chris Myers, who hosts and manages the NJIFA website and my wife, Pat, the emails with the various notices got out to the public. When I was a marketing executive I learned that repetition works but the message has to be continually changed or it gets stale. Writing is one of my favorite things and these two people made it happen. I thank them for their dedication and belief in education.

The attendance was one of the best ever and the rave reviews were great. Special thanks to some people for their time investment and the recognition they brought to the conference. I begin with Pete Vidi who has been the IFA Chapter president in the Washington D.C. area on several occasions. He also was the National President of IFA and did wonders for it during his time in office. He is the president of the Appraisal Guild today. Best of all he's my best friend, or adopted brother is more correct. Pete is one of the most successful people I know because he is driven to perfection but never forgets that people are most important. He sacrificed valuable time taken from his businesses and his family to help me out. Next is Peter Zipp, Esq. & MAI. Peter is one of the most sought after speakers for tax appeal programs for years. The reason is he's the best. He specializes in high end properties and major commercial properties. Solely as a favor to me, he agreed to come and participate in our mock tax board hearing. He wasn't happy with the role I gave him but I knew what I was doing and he was phenomenal the way he played it and knew when to step out of character and help the audience to understand. Peter played the expert for the appellant, not the attorney (now you know why he wasn't happy with his role, but he did it anyhow....Now, that's a pro!). His adversary was Henry Mancini, MAI who also as a favor undertook his role as the expert for the municipality. Henry is one of the most recognized municipal experts in New Jersey and for good reason....he's the best! I had the privilege of working with him for 3 years and he's even better than his resume'. Henry also doesn't do residential work as a matter of course.

He is the expert for commercial property appeals. He is the epitome of a professional appraisal and expert. He is articulate and well written. Henry has what is known as "presence" which very few have. Then, we have the two attorneys. Michael Gilmore, Esq, is the attorney for a great number of municipalities for tax appeal cases. I had the pleasure of working with him for 3 years also. He's a tax appeal guru. His approach is disarming. He comes across like a really nice guy (and he is), but when the going gets tough, watch out. He knows more about real estate valuation than most appraisers. There is something about him that is special. And, his adversary was Jeff Horn, Esq. He is one of the most skilled tax appeal attorneys in NJ. He's mysterious in demeanor which is his key to success. He can't be read; but a great guy.

Courtesy of

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UNDERWATER PROPERTIES- According to RealtyTrac, a housing data company, seriously underwater properties increased for the 1st quarter of 2015 for the first time since 2012. 7.3 million properties country wide had a combined loan amount at least 25% higher than their estimated value. Seriously underwater properties during the 1st quarter were at 13.2% up 0.4% from the previous quarter but down 4% for the same time in 2014. Remember, this is nationwide not across the board. The key states driving this move are Florida (Lakeland mostly) at 28.7%. Las Vegas led in terms of markets with distressed properties exceeded 50%. Overall many markets experienced decreases in housing appreciation during the 1st quarter. Not the best of news.

NEW JERSEY FINALLY MAKES A "BEST LIST"- A survey released this past week sets out the best hamburger joints in each state. New Jersey's best hamburger place is the White Manna, at 358 River Street in Hackensack. They it a point to advise it's not the other location in Hudson County. Well, I have another best food places. There is a new donut shop in town. It's the *Top That Donut* shop on Ocean Avenue in Point Pleasant Beach. They put the others to shame. So, indulge and enjoy a "best", you deserve it.

RENTAL PROPERTIES WILL COST MORE- Based on a slow down of single family housing purchases the rental market continues to climb. There is greater demand today than last year this time. It is anticipated that rental costs will rise by just over 5%. There is a movement from investors to buy more rental units. The age old theory was you needed at least 5 units to insure profitability or at least meet costs. Renters pay typically their monthly rent and utilities and don't worry about exterior maintenance or other problems homeowners face on a daily basis. Gaining approval for a mortgage is a challenge today not a given right and luxury that was enjoyed for the past 60 years. The economy not being what it should and not what the government tells us it is. To note, the latest economic report indicates that the economy grew 0.2% this past quarter. That's an unhealthy sign. So, investors for rental properties are having a field day and as long as the rents stay quasi affordable they will continue to do well. The Principle of Competition is always a great fear. It's premise is that profit breathes competition while excess profits breed ruinous competition. So, if greed which so often is the "killing" factor becomes prevalent, that market will start to collapse.

At the beginning of this month it was cited that mortgage interest rates will remain under 5%. This fact created a belief that the sale of existing homes will rise 6% in 2015 and new housing construction sales will rise an incredible 33%.

It is also anticipated that all residential housing prices will rise 6%. An interesting point is that as we've seen builders are building to the luxury and move-up markets. There is greater mortgage certainty for those of this market segment making it a safer bet for the developer. However, there is a belief that the first time home-buying market will return. I don't know the basis for that other than the NAR chief economist needing to say something positive for market purposes which he has been known to do. March did experience a 6.1 % rise in existing housing sales which was the highest in 18 months. This comes from the Wall Street Journal which now is suspect as to pointed editorials and reporting practices. You ask why? Because the Journal was recently purchased by Move Inc. which operates a website and mobile products for the National Association of Realtors. Interesting isn't it? Well, hear this. The Commerce Department in Washington apparently didn't get the WSJ memo about how great things are. In March sales of new housing plummeted 11.4% to 481,000 units while February had sales of 543,000 units which screamed to the media that this was the strongest performance in seven (7) years. Bringing this more locally the South experienced a 15.8 % drop while the Midwest reported a slight gain. Now, about home here in the Northeast. We experienced a 33 % avalanche type drop. As always reminded herein our newsletters, remember that statistics are not local. The Northeast is more specific but still not local. In order to reach a 33% indication there had to be some above and some below. So please be careful how you react to these statistics.

**Facts that show just how far the human race
has come !**



Between 2000 and 2012, the number of out of school children around the world has nearly halved. Dropping from 100 million to 58 million.



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.

