



In the Loop Realty Newsletter

August 1, 2007 Issue

Amerival

Your One Stop
Valuation Center

HOUSING - READY TO BUY?

by: Albert M. Cerone, IFAS, FELLOW

WHEN IS IT TIME TO BUY? A great question for so many people today. You have so often heard that “timing is everything”. And, it is. However, when is the right time to buy. How about right now? The answer is yes, if you fit the following criterion. If it is a purchase of a primary residence to be held for a long term, the time is NOW! That’s the only criterion. There are good deals out there and if housing is *needed*, not just wanted, then the time is truly, NOW. It is recognized that the housing market has a fairly predictable trend of 7—9 years for high to low and reversed. So, if one buys a house for family needs the purchase price will not financially debilitate a purchaser. The trend will protect the purchaser. There are no “definitives “ of housing value trends. Thus, the property must be one that is to be held; and, not flipped. Is it possible that if one waits another 3 to 6 months, that the property of interest could be purchased for less? Yes!!!

But this is the reasons for the criterion that the house be purchased for long term, not short. And, if one waits for a “better time”, that time may not come and all that is then accomplished is the delay of the “need” of housing.

REALTORS should now be painting this same picture to prospective buyers. A family could lose a great home for the gamble of buying it somewhat cheaper in 3—6 months; and the astute REALTOR should be doing the math for the prospective purchasers by showing the cost of remaining in their present housing at a time when there is likely no appreciation, thus all costs of living are truly “just costs” that will not garner a return for the added holding period.

It is the belief of this writer that attorneys and accountants should take a pro-active role in helping their clients to understand this position. It’s what this country needs to get the housing market back on track..

#1 LENDER CHANGES IT’S TUNE!

Until the past several weeks, Countrywide Financial, the largest mortgage lender in the United States was more upbeat about the housing market, but admittedly they had been more skeptical than the vast majority of lenders. Simply, Countrywide through its CEO believes the recovery will not occurred until 2009. This statement released about 2 weeks ago is seen as the driving force which brought down The S & P stock index by over 30 points. It is also credited with widening the value of the Euro to the dollar by \$1.40 to ! Euro. Mozillo stated home prices were falling “almost like never before, with the exception of the Great Depression. This is predicated on observing the large inventory of housing available. See the next page for the indexes. They are quite an eye opener.

Robert I. Toll of Toll Brothers altered his take on the housing market saying it was not coming

:back likely before April 2008 while in February he said the rebound had started. OH! Countrywide reported 2d Qtr earnings dropped by over 33%.

HUD & THE HOUSE-
The House of Representatives passed a bill blocking HUD from prohibiting Seller assisted purchasers saying it would virtually close down the opportunity of homeownership for low income purchasers. Wow! Makes you wonder. Did HUD have their finger on the pulse of the problem; and the Democratic House want to look like the good guys? This is a political posturing for the Congress. The continuance of the agencies allowing seller assisted purchases only has sense if there is more strict guidelines for borrowing by this housing market. And, with stricter guidelines, just how many of the low income buyers will be able to meet the criteria. So, politics as usual.

Courtesy of

Amerival

Tel. 732-286-3000

FAX 732-286-3187

Email:
myappraiser@amerival.net

Web: <http://amerival.net>

EXISTING HOME SALES

MONTHS SUPPLY OF INVENTORY

Year		U.S.	Northeast	Midwest	South	West	
2004		6,778,000	1,113,000	1,550,000	2,540,000	1,575,000	
2005		7,076,000	1,169,000	1,588,000	2,702,000	1,617,000	
2006		6,478,000	1,086,000	1,483,000	2,563,000	1,346,000	
Seasonally Adjusted Annual Rate							
2006	May	6,680,000	1,140,000	1,510,000	2,610,000	1,410,000	
	Jun	6,490,000	1,090,000	1,490,000	2,550,000	1,360,000	
	Jul	6,320,000	1,050,000	1,430,000	2,530,000	1,320,000	
	Aug	6,310,000	1,060,000	1,430,000	2,520,000	1,290,000	
	Sept	6,230,000	1,040,000	1,420,000	2,520,000	1,260,000	
	Oct	6,270,000	1,030,000	1,420,000	2,520,000	1,300,000	
	Nov	6,250,000	1,080,000	1,420,000	2,470,000	1,280,000	
	Dec	6,270,000	1,070,000	1,460,000	2,490,000	1,250,000	
	2007	Jan	6,440,000	1,060,000	1,520,000	2,540,000	1,320,000
		Feb	6,680,000	1,220,000	1,560,000	2,570,000	1,320,000
		Mar	6,150,000	1,140,000	1,390,000	2,410,000	1,210,000
		Apr r	6,010,000	1,040,000	1,400,000	2,380,000	1,190,000
May p		5,990,000	1,100,000	1,410,000	2,300,000	1,180,000	
	vs. last month:	-0.3%	5.8%	0.7%	-3.4%	-0.8%	
	vs. last year:	-10.3%	-3.5%	-6.6%	-11.9%	-16.3%	
	year-to-date:						

Housing Inventory	Months Supply
2,244,000	4.3
2,846,000	4.5
3,450,000	6.5
3,589,000	6.4
3,738,000	6.9
3,861,000	7.3
3,844,000	7.3
3,783,000	7.3
3,860,000	7.4
3,810,000	7.3
3,450,000	6.6
3,539,000	6.6
3,805,000	6.8
3,806,000	7.4
4,220,000	8.4
4,431,000	8.9
5.0%	6.0%
23.5%	39.1%

PSYCHOLOGY OF MEETINGS: Finding yourself falling asleep at meetings, seminars or conference calls. Here’s a way to change that.

Draw a 5” x 5” square on a piece of paper. Divide the box into 5 columns and 5 rows giving you 25 1” squares. Write the following words or phrases, one in each square.

Synergy, Strategic Fit, Core Competencies, Team, Bottom Line, Revisit, Take That Off-Line, 24/7, Out of the Loop, Benchmark, Value-added, Win-Win, Proactive, Think Outside the Box, Fast Track, Result-driven, Empower, Knowledge Base, Vision (ary), Touch Base, Mindset, Client Focus, Paradigm, Game Plan and Leverage.

When you hear one the foregoing, put an “X” through the box.

When you get five boxes horizontally, diagonally or vertically crossed out jump up and yell

B_ _ _ S_ _ _!!!! This won’t help your career any, but you sure will feel better. This is called B. S. Bingo.

QUICK HOUSING NOTES: Foreclosures in April did drop nationwide, but there were 176,137 foreclosure filings for May which was up 19% from April and nearly 90% from May 2006. **OUCH!!!**

Sharpe James, former mayor of Newark, NJ, was charged in an indictment alleged flipping of multiple properties in Newark. He was also charged with providing necessary pressure to allow an accomplice to acquire city property at cut rate prices.

By the way appraisal fees nation-

-wide for lending purposes have not gone up for nearly 10 years.

SUPREME COURT FACTS-

The 2 doors at the entry of the Supreme Court Courtroom have the 10 Commandments on them.

At the top of the front of the Supreme Court building is Moses holding the 10 Commandments.

On the wall behind where the Supreme Court Justices sit, is a copy of the 10 Commandments.

On most Federal Buildings and monuments in Wash. DC, there are Bible versus etched.

Every session of Congress begins with a prayer by a paid preacher and has gone on since 1777.

Thomas Jefferson worried that the Supreme Court would begin making law rather than interpreting it. Thank God he’s not here to see its abominable decisions now.