



# Realty & Valuation Newsletter

December 15, 2010

## THE SPIRIT OF CHRISTMAS

By

Albert M. Cerone, IFAS, FELLOW, CTA

AMERIVAL



Director:

Albert M. Cerone

Regional Appraisers

Dan Warthen, Jr.

Jay Jurasek

Russ Thompson

Dave Kaytes

**WISHING ALL THE SPIRIT OF CHRISTMAS-** As each year goes by, the drive for political correctness seems to worsen than that of the prior year. Now a school has removed Christmas and Easter from the school calendar. They shall be displayed as "holiday". Apparently, finally, enough residents have screamed louder and it is expected that the school board will reverse that decision this week. Hopefully this is true. There is no reason that Christians should be singled out as the culprits for perceived discriminatory holiday recognitions.

I wish we could turn the clock back to the 1950's & 60's during which Christmas was seen by all as simply a beautiful time of year in which smiles widened, strangers became friendlier and anger among people was set aside. As a school child I was fortunate to be brought up in a community where everyone's religion was respected. The schools, teachers and students respected those who were not Christian and respected their religions, practices and holidays. Everyone got caught up in the beauty and love of this special holiday time. As Christians we observed the religious aspects, togetherness, love, devotion and the beauty of the occurrence of which we celebrate with our families. The non religious, Santa, toys and decorations were shared by all. My Jewish friends often had Christmas trees in their homes to simply enjoy the spirit and beauty of the time. Chanukah was seen by us as the Jewish version of Christmas; and, we were as happy for their celebration as we were for ours. The spirit of Christmas is for love, understanding, compassion and respect for others. Isn't that what all the good people, Jews, Muslims and others truly want. To characterize a group of people by the acts of so very few is wrong. As a Christian, I am blessed with friends of other religious beliefs or no beliefs; and, I'm glad they are in my life. So, let's set political correctness aside, and simply enjoy the beauty of the Christmas Season as a time for love, understanding, friendship and acceptance. So, as I say Merry Christmas, please understand it should you not be a Christian, as I'm wishing you incredible beauty in your life and a feeling of love, belonging and respect.

**TAXES-** There is so much talk about the rights and wrongs of the Bush Tax Cuts and the polarization of our congress, that much is forgotten about the needs of the American people. These tax cuts come at a time in which many people in the country are facing dramatic increases in their real property taxes. As an expert for one of the municipalities in New Jersey, I have and am listening to tales of woe from shocked tax payers.

The State of New Jersey compels municipalities to have a re-valuation of the real property assessments when the ration of assessed value to market value is below a certain point. This is an expensive proposition for any municipality and that cost is passed on to the taxpayer. Yes, the taxpayer pays for everything...eventually.

However, the act is necessary for successful operation of a town or city. Public services must be maintained. Of course any increase in tax assessment typically creates a higher tax burden for the residents. Although a balance between tax assessment and tax rate is the goal for all municipalities, changes in costs and governmental mandates and changes in federal contributions impact the municipal budgets. So, once again, the taxpayer picks up the tab. It's unfortunate that (con't)



Courtesy of

**Amerival**

Tel. 732-286-3000

FAX 732-612-1400

Email & Web  
myappraiser@amerival.net

<http://www.amerival.net>

**(Con't)** that the tax assessor is still seen as the evil man in the black cloak. In reality the tax assessor is the victim. The public resists change of all sorts, and it is a common phenomena of which we all are guilty. Over the years property values have increased dramatically and revaluations weren't quickly done. So, the properties in a municipality that garnered more than their share of value increase were paying less taxes than the typical housing. You guessed it, the property owners who were seeing their property values increase and then selling at high prices, didn't come running to the assessor's office to have their property taxes increased so they could pay their fair share. Well, now they find themselves with dramatic tax increases and they are literally screaming. There is nothing the municipality can do except be fair to all the residents, not just those who *don't* want to pay increased taxes. Tax appeals have been rampant and truthfully, most don't have a leg on which to stand. If there is an error in the records, tax assessor's throughout New Jersey will correct the problem. Special property conditions which may now exist may also bring a decrease in assessed value. This past week I spoke with a resident who simply doesn't want to pay the increase. There will be a review to determine if there is evidence that the assessment may be wrong, but the burden of proof is on the tax payer. Each time a tax payer insists on a hearing or tax court without acceptable proof, that appeal costs the town, county and state money....and, it then costs the tax payer more money.

In New Jersey, the largest portion of the property tax is the school tax. The percentage is about 62%. So, if a means of paying for schools could be removed from the property tax calculations, everyone's property taxes would be reduced by 62%. Now, that's a deduction. So, if you want to find a solution to high taxes, it is urged that you vote in your school board elections. Take a serious look at the cost of school administration, the tenure issue for teachers and the expenses for extra curricula activities which are paid by the tax payer. There are many places in the school scenario which can be changed and would save a tremendous amount of money. Last week a report was released showing the income comparisons of state and federal bureaucratic workers to those in the private sector. State workers earn 30% more and federal workers earn 60% more than those doing equal jobs in the private sector.

Consider that the ranking of the United States compared to the 37 other industrialized nations. It went from #1 30 years ago to #18 this past year. So, we're not exactly excelling in education....or should we say in our educational systems. I'm sure you all have ideas how this can be fixed and, yes many will be unpopular, but without dramatic change, be prepared to keep paying higher property taxes for less education and services.

**HOUSING PRICES-** Just when you thought the housing market was on the incline. Well, not really, unfortunately. But don't fret....just yet. There are areas mostly in the central part of the country in which housing prices are falling, again. Chicago experienced 5 straight months of rising prices but September brought a decline of 1.5% according to S&P/Case-Shiller. Surprisingly, Dallas, Texas has more than a slipping football team; they have a slipping housing market. It experienced a 1.6% fall in September following a 1.2% drop in August. And, the stories go on. Zillow's real estate research indicates that housing prices began a decline in September across the country and that for 2010 there will be a loss of \$1.7 trillion in housing value in the United States. NAR has predicted that 2011 will show little if any increase in housing prices nationwide.

So, what's the holdup you say. Foreclosures and mounting delinquencies. Why you ask? Because the middle income group of this country are out of work and there are more employee cuts expected this month and next. Yahoo, just announce it's cutting its workforce by 5%. This is the time of year for red and green bows and pink slips. The recovery awaits *jobs*, not political diatribe about phony statistics of how the recovery is in the works.

For those in Florida, the people who have purchased foreclosed homes better start to worry. The improper notification to the families foreclosed is bringing about law suits. The courts appear to be favoring the improperly informed and served families. This means, the new homeowners can be put out of their new homes. So, who won? Neither the poor families wrongfully dispossessed nor the poor families finding themselves in a home they don't really own. How about doing something about the banks and other entities who wrongfully foreclosed. They should be made to put the foreclosed families back in a comparable home to the one from which they were thrown out and at the bank's expense. That's fair, isn't it?

## *Fallout from WikiLeaks Mess*

WASHINGTON ([The Borowitz Report](#)) – In the first major policy fallout from the WikiLeaks disclosures, the State Department has ordered all U.S. diplomats to “cease and desist telling the truth until further notice.”

“We are working overtime to try to make sure that leaks like these don’t happen again,” Secretary of State Hillary Clinton told reporters. “But until we’ve got the leaks plugged, it’s incumbent on all our diplomats to put on their lying caps.”

Secretary Clinton noted that since many US diplomats are major political donors with long careers in the business world, “this shouldn’t be a reach for them.”

But for those career diplomats who came up through the Foreign Service, the State Department will be holding a series of “truth avoidance seminars,” led by executives of Goldman Sachs.

Additionally, Secretary Clinton said, the State Department would install on all diplomats’ computers new software called CandorShield™, which automatically translates truthful language into a less embarrassing truth-free version.

For example, she explained, the software would translate the phrase “two-faced weasels” into “trusted Pakistani allies” and would delete all references to French President Nicolas Sarkozy as “Monsieur Shorty Pants.”

Elsewhere, Interpol issued this statement about its pursuit of WikiLeaks founder Julian Assange: “We will find Julian Assange, and then we will hire him.”

This may be the first time I’ve applauded Hillary Clinton, in fact it is. But she is absolutely right. If private conversations can be recorded and then released or stolen then the words may create not only embarrassment but serious international problems. I’m certain, Richard Nixon would love to have had his conversations deep sixed.

I’d like to have a copy of that CandorShield™ because I tell the truth too, well most of the time at least. How is it they can keep the truth of the Kennedy assassination sealed and O’Bama’s birth and college records sealed which neither have anything to do with national security, but they can’t keep the name calling of other countries’ officials sealed? Seems unseemly doesn’t it. Truly, government is over the top. You can’t even take a public official to a \$20 lunch because it would be construed as a bribe. If you can buy a public official for \$20, you’d want him / her thrown out.

## ***Laugh a Little– (One Liners)***

A President of a democracy is a man who is always ready, willing and able to lay down *your* life for his country.

A committee is a group that keeps the minutes and loses hours.

A consensus means that everyone agrees to say collectively what no one believes individually.

A disagreeable task is its own reward.

A donkey is a horse designed by a study team.

A free agent is anything but.