



Realty & Valuation Newsletter

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Issue 195

DOES A REAL ESTATE SELLING SEASON EXIST?

BY

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WELL, DO WE HAVE A SELLING SEASON ANY MORE?- For the past 40 +/- years, people in the real estate industry knew that sales would be better in the Spring and then again in the Fall. Everyone knew that from Halloween to New Years and recovery time for a couple of weeks, the sales market was on sabbatical. Now, this is for the Northeast as other climate locales likely didn't suffer the same stigma at least not for the same reasons. Since the 1980's other factors came into play. These were external influences which affected the buying and selling markets. Tight credit, high gas prices which in the late 1970' or early 1980's created the "gas crisis". These are external influences which hampered or nearly froze the real estate market. What this created was an awareness that simply the change of temperature no longer was singularly the reason for changes in the real estate market.

As if nature and other crises were not enough, we began experiencing non-physical impacts. The economic changes such as credit worthiness of potential buyers based on restrictive lending guidelines; unemployment (the real unemployment and under-employment statistics indicate dramatically more than the fed's interpretation of 5.7%); and, the manipulation of employment benefits, i.e., employee loss of health insurance, greater employee contribution to company provided healthcare often accomplished via lesser work hours. Salaries didn't go up but benefits were gone therefore, the workforce was further behind in income than before. The stock answer to those who complained, "we have 100 just like you waiting for your job". I was told (can't confirm) that a lesser position office job at a community college in New Jersey had 1,035 applicants. If this doesn't demonstrate the state of the economy for the real people of America, what does?

Possibly, the chaos in Washington D.C. over the past several years is a major contributing factor of the disillusionment of the American public as to the stability of our government and economy. The American people are in a state of confusion. This isn't a finger pointing because both major political parties created this fear. Buying a house is frightening to many families because of the uncertainties they face with their jobs and finances.

During the Eisenhower years, the economy was status quo. What was in place in any January was expected to be the same in December. The public knew where they were and where they were going. Correct me if I'm wrong, but I believe Eisenhower said, "Just go out and buy something, anything." That was what the economy needed, people to spend money and spur production and job growth. Today, the reverse is true. If you want a more secure future save your money and don't spend because our indebtedness is virtually non re-coverable.

So, with the confusion, there is no longer a "selling" season. *It's catch as catch can*, so the saying goes. There are no magic words to make the confusion understandable. There is nothing the public can do to fix the problem. Suck it up!

Courtesy of

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New Jersey National Association of Independent Fee Appraisers Annual Conference-

Program Highlights

Thursday April 16, 2015

7:00 - 8:00 am Registration

8:00 - 8:15 am — Welcome & Event Introduction

Albert M. Cerone, *IFAS, FELLOW, CTA, NJ-NAIFA State Director*

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8:15 am - 12:00 pm— Understanding & Using Comparable Transactions (7 Credits Pending)

How to identify and examine comparable properties, recognize their importance, and identify relevant characteristics therein. New National Course with 115 page student manual included.

Moderator: Wayne Sabota, *IFA, NJ-NAIFA Past State Director*

Speakers: Nena Henderson, *IFA, 2015 NAIFA National President, Edmond, OK* Peter Vidi, *IFAS, Past President of the NAIFA, Greenbelt, MD*

12:00 - 1:15 pm— Lunch

1:30 - 5:00 pm Understanding & Using Comparable Transactions (Cont.)

Discussion of key value influences, property rights, Highest and Best use, and units of comparison

6:30 - 7:30 pm— Cocktail Hour with hors d'oeuvres

One free cocktail included with dinner

7:30 pm — STATE CONFERENCE DINNER

Meet and network with fellow appraisal professionals, NAIFA Officers, speakers and guests.

Friday April 17, 2015

8:15 - 9:15 am— Impacts of Environmental Conditions on Real Estate

Directing the appraisers' attention to easily recognized or questionable environmental issues

Moderator: Chuck Blau, Esq., *IFAC-NJ-NAIFA Past State Director, NAIFA Past National President*

Speaker: Christopher Neuffer, *President of Envirotactics*

9:15 - 10:15 am— Business Valuations & the Income Approach

Insight into the incomes and processing of "same for business" valuations. The presenter will tie the process of business valuations to that of realty appraisal income approaches.

Moderator: Michael Lange, Sr., *IFAC, NAIFA Past National President*

Speaker: Juan Bellu, *EA*

12:00 - 1:15 pm Lunch

1:30 – 5:00 pm— Option A: Mock County Tax Board Hearing

A property owner with his attorney and expert shall present a case for appeal of assessment

Moderator: Joseph Ravitz, *IFA, CTA- 2014 NJ-NAIFA Past State Director*

Participants:

Tax Assessor - Megan Fassy, *CTA, IFA*

Attorneys - Jeff Horn, Esq. & Michael Gilmore, Esq.

County Tax Board Administrator - Chelsea Skuby, *CTA, Ocean County Tax Administrator*

Commissioners - Mike Jaeger, *CTA, IFAS*

Lou Bonato, *IFA, NAIFA National President Elect, Past NJ-NAIFA State Director*

Experts - Peter Zipp, Esq., *MAI*

Henry Mancini, *MAI*

1:30 – 3:30 pm— Option B: Point & Counter Point

An open debate between two participants with substantial court and hearing experience about several relevant appraisal /appraiser issues including - the necessity of cost approach; Highest & Best use vs. Current use; when to use a restricted report, and others.

Moderator: Frank Stearle, *IFAS*

Speakers: James Hanson, *IFAS*

Carl Mucciolo, *IFAS*

3:30 - 5:00 pm— Appraiser/Appraisal Liability Cases & Processes

Attorneys shall present cases in which they were involved discussing the issues, appraiser's position, and adversary appraiser's position

Moderator: Albert M. Cerone, *IFAS, CTA, FELLOW, NJ-NAIFA State Director*

Speakers: Thomas A. Harley, Esq.

Chistina Ricker, Esq., *Winget, Spadafora, Schwarzberg, LLP, NYC, NY*

Full attendance offers: 14 CE Real Estate Appraisal Credit Hours (pending)

Individual Daily Credits are 7 per day (pending)

3.5 CE Administration Credits from the NJ State Division of Taxation (pending)

NON-MEMBERS – Attend the full conference and join the

NJ-NAIFA by 4/17/2015 and receive a \$100 rebate

TAX APPEALS, GETTING TOUGHER? - Yes, they are. Appraisers, get use to the idea that the business you are in is finally arriving at "profession". Far too many appraisers make the efforts of valuation appear simply putting numbers on paper. The courts and the county boards are getting smarter and know what a good appraisal looks like. It is unfortunate that most appraisers in the U.S. are primarily mortgage oriented. The complaints from your fellow mortgage appraisers are rampant of the control lending has on them. The lenders of all types including AMC's dictate what an appraisal must say and how it must look. They have created check blocks and if the right ones aren't marked as they need them to be in order to make a loan, you are in trouble. I hear the stories of ones, tier being lessened if the provided answer is a red flag or ones on probation as the provided answer their question is not what they demand. What is one to do. I wish I had an answer. However, if you undertake tax appeals, you must start learning to informatively answer the questions, "what are the reason and rationale of your adjustments; and, can you show your work which you used to derive that answer.?" If you are successful at that, then you've reached the professional level.