



# Realty & Valuation Newsletter

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**AMERIVAL**

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## 2012 - THE REAL ESTATE MARKET RETURNS

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**TAX APPEAL—YAY OR NAY?** This is a double edged sword. You may get some relief but you are condemning yourself to an indication that your home is worth less than what you will offer it for sale at the end of the year or next year. So, congratulations, you may save a few hundred bucks now but it'll cost you thousands later. Right, that's not a good investment strategy. The best advice you will get this year about your real estate is this...don't sell now and pay your taxes. You will come out ahead in a year plus.

**HIGHER TAXES-** Most of us have experienced a rise in taxes and it feels like a rip off. Well, it's not. Has your electric bill increased? How about the price of gas? Has water gone up? Hey, let's make this simple. Your cost of living has increased across the board. Don't you think that your municipality is suffering from the same increases? Say, "YES"! So, let's see if we can make sense of this. Costs are up for everything, paper, electric, gas, costs of repair, etc, etc. So, you want to cut a portion of your increased costs by taking it out of the pockets of your municipality. Well, why not? After all, a municipality isn't a living thing, has no children and can't be screwed out of a vacation. Right? Wrong!! There are people working there who have the same responsibilities as you. So, they should lose their jobs so you can save a few hundred dollars. How are we doing so far? Ladies and Gentlemen, the only winners in this scenario are the attorneys and appraisers who prey on the unsuspecting public.

Have you received one of those important looking postcards advising you that you are overpaying your taxes and you deserve a reduction? Yes, we all have. I'm sorry, but some of these people producing these cards are unscrupulous and the others are simply the new version of ambulance chasers. When the tax appeal scam ends, they will be starting class action suits for tsetse fly bites or whatever. The appraisers who do mortgage appraisals for tax appeals will go back to mortgage work and continue the cycle of good to bad to good to worse. These are the statements many are afraid to make, but they are true, but they are not always true. There are properties that are over-assessed and a reduction is in order. There are attorneys who are honest

And truly concerned in doing a good job and a rightful one. There are also appraisers who are prepared to put forth a supportable and defensible appraisal that will help you correct an error or oversight. Many of the problems can be resolved by a visit to the tax assessor's office and discussing an issue. You may very well be right and a reduction is in order. Have you tried that? Just remember, be nice to people. As my wife says, you'll catch more flies with honey than you will with fly paper. If you've worked in retail or sales, you know how nasty some people can be. Don't sink to that level. Be pleasant and have a smile on your face. Ask for "help". It's amazing what those four letters in that order can accomplish. I assure you that an overbearing approach given with a scowl will bring you the result of spending more than you really needed to spend and likely a lesser result.

Courtesy of

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**FORECLOSURES-** The bad news is that foreclosures increased 3% from December to January. The other bad news is they are still ongoing. As discussed in the previous heading, the way to avoid the dilemma that foreclosures present is not to sell your home. Foreclosure sales are typically at prices less than that which the market would create without foreclosures. However, foreclosures do impact what is termed “values” which is questionable unless they truly dominate a particular marketplace. The means of avoiding a sale price less than what you would really need, is again, simply do not sell. It has also been said that the existing housing inventory is less which means overall there are fewer houses on the market and the foreclosure volume is being absorbed. This speaks to a better economy with the public feeling more confident of the job market. So, there is some good coming with the bad.

The top ten 10 foreclosure filings are as follows:

Nevada in which 1 in every 198 housing units is in foreclosure.

California in which 1 in every 265 housing units is in foreclosure.

Arizona in which 1 in every 325 housing units is in foreclosure.

Georgia in which 1 in every 328 housing units is in foreclosure.

Michigan in which 1 in every 354 housing units is in foreclosure.

Florida in which 1 in every 363 housing units is in foreclosure.

Illinois in which 1 in every 369 housing units is in foreclosure.

Delaware in which 1 in every 373 housing units is in foreclosure.

Colorado in which 1 in every 523 housing units is in foreclosure.

Indiana in which 1 in every 555 housing units is in foreclosure.

Gladly, New Jersey and the northeast states are not in the running for this ranking. This is a great reason not to pay attention to many of the statistics which are thrown at the public...you. This is not to say that we don't have any because we do, but not to the extent as those above. In fact housing prices rose in about 20% of the housing markets during the last quarter of 2011 from the same period in 2010.

The 5 top housing markets in which values grew over the last year are Cape coral—Fort Myers, Florida which saw a 25.6% rise. Quick run and get there before your neighbor does! Next is Abilene, Texas in which prices rose 16%. The next is Yakima, Washington with a 11.4% rise. And, the next is Kankakee-Bradley, Illinois which saw a 10% increase. Last is Grand Rapids, Michigan which saw a 9.8% rise. It's nice to see something positive but it's a shame that it's in such small markets which add little to the national economy.

Case Shiller was not very up on the housing market citing an 18 month consistent drop by December of 2011 with the anomaly of April 2011. The chairman of Standard and Poors, David Blitzter said in a statement, “Yet, just like another Europe, the improvement is coming. Aaaaany minute now.” Not very positive. As one can readily see, the *experts* don't agree on the housing market. The reason is quite simple. There are too many factors today unlike years gone by that impact housing. Jobs, increasing cost of living, wage freezes, international agreements, catastrophic natural occurrences, global support by the US and the list goes on. One must question if the then considered the radical movement of the 1960's looking for isolationism was wrong. Has the need for being more isolated come to the top? Total isolationism wasn't the answer in the 1960's and it is not now. The United States is bordering on not being the top economic power in the world. It's time for China, Japan, Germany and the oil rich Arab countries to come to the aid of the world. We need to solidify our military defenses and group them around our borders. We are preparing for a different type of warfare with special combat groups for quick decisive strikes. We need a full time military and let our part time soldiers come home and go to work and be with their families. If we are spread to thin throughout the world, then we need to not be in some places. There is so much to say about this. Much of what we lose in our economy and what impacts our housing is because of poor planning militarily. Cutting back is not the answer. We must go back to walking softly and carrying a big stick.