



In the Loop Realty Newsletter

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Amerival

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Personality

WHAT A MESS!!!!

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AND THEY SAID IT COULDN'T GET

WORSE!– Yes, the dollar above with George screaming was here two weeks ago. Unfortunately, it may be even more appropriate this week.

I've held off writing this issue and seriously considered not writing it at all. What's left to be said? Maybe we the American people will learn a lesson from this financial fiasco. First, not to listen to economists who have proved well beyond reasonable doubt that they don't have a clue what will happen. In fact, some of you likely had a much better fix on what would occur than they did.

The problem is economists don't live in the real world. You and I do!!!!

Instead of trying to recognize the plight of the public who became victims of the mortgage meltdown and resulting housing bust, they kept developing models of probability based on past happenings. If only common sense ruled in their endeavors, but it doesn't.

POLITICIANS & POLITICS- Now that we've run the economists into the ground, let's take a shot at the geniuses in Washington. Isn't it amazing how quickly the politicians make believe they were duped like you and I and that it's always the other party's fault. With all the finger pointing going on it's a wonder that most of them still have their eyes. Joe Biden lashes out at McCain for being so blind over the years as not

having seen this mess coming. If I'm not mistaken, Biden was in Congress longer than McCain, so where was he? Yes, purely rhetorical. Ah! The latest is the Senate passed a new version of the bailout. It now goes to the House. This should be interesting. A bailout bill will pass because we have to put one in place to bail out the US and the rest of the world. Japan, China and France are begging the US to pass the bailout because now they are having to bailout banks in their country as they also own US debt via mortgage backed securities.

Ladies and gentlemen the only reason the bill is receiving so much attention is it's become a pol-

-itical football with neither side of the aisle knowing if they want to have the credit of getting it passed.

NEW TAXES?- There is a bill to add tax to your retirement income. Apparently, Nancy Pelosi wants a Windfall Tax on your retirement accounts. That's right they are looking to tax your hard earned savings for your retirement. Pelosi also is looking to tax your stock market sale profits including retirement fund, 401k and Mutual Funds. Her goal is to equalize income.... It seems what she fails to say is if she has her way we all will be earning \$2 an hour. One tact is to raise the standard of living of the poor (of which we all may just become) by using your hard earned windfall tax money. This is great if you are an illegal alien.

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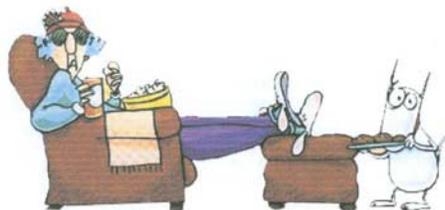
FDIC INCREASE- It appears that the FDIC deposit insurance limit is to be raised from \$100,000 to \$250,000. The intent is to give the American public more confidence as to the security of their deposited funds. For those with Credit Union deposits there is a similar insurance up to \$100,000 in place. So, those with credit unit accounts, don't panic. This may also be raised.

TWIST ON THE MORTGAGE MELTDOWN CAUSE- It is recognized that the mortgage crisis has become a political piñata. The general consensus is that government was not enough involved via oversight and concern. However, there is a reverse interpretation. It is the government was *too* much involved in the mortgaging of the US. An economics professor, Stan Liebowitz of the University of Texas (if he's an Aggie don't pay any attention to this! Kidding of course). His theory is that government (ubiquitous in citation, isn't it?) was too much involved in the mortgage dilemma we faced and are now mired in the result. It was a drive by the Clinton administration to guarantee that minorities and the lower income portion of Americans can have housing. The pressure was on FNMA & Freddie Mac to loosen the requirements for lending to allow this to happen. Of course it led to the greed of mostly mortgage brokers and then down the line to take advantage of a true "open the floodgates" policy. It is alleged that FNMA and Freddie actually praised and encouraged major lenders like Countrywide and Bear Stearns for adopting the slackened policies. It was also reported that a research scientist at the University of Maryland accurately stated that the success of minority lending came at a great price. Apparently, the Bank of Boston in the

1990's released a manual warning lenders to *cease* denying mortgages to minority and lower income applicants based on "credit history" not being acceptable. WOW! There was much more to prove this position. Much of this came from an article by Drew Zahn of the World Net Daily.

LET'S LIGHTEN THIS UP!-

My wife forwarded this to me and I think it's quite funny... then maybe not?



Everyone concentrates on the problems we're having in this country lately: illegal immigration, hurricane recovery, alligators attacking people in Florida....

Not me! I concentrate on solutions for the problems. It's a win-win situation.

-Dig a moat along the entire Mexican border.

-Send the dirt to New Orleans and build up the levies.

-Put the Florida alligators in the moat along the Mexican border.

The Ten Commandments-

The real reason we can't have the Ten Commandments posted in a courthouse is "Thou Shalt Not Steal", "Thou Shalt Not Commit Adultery", and "Thou shalt not bear false witness (lie) against your neighbor would create a hostile work environment in any building filled with judges, lawyers and politicians.

Iraqi Constitution- Iraq should just use ours, it was drawn by very bright men ;and, we don't use it any more.

BANRUPTCIES AND AUCTIONS- For those of you seeking real estate investments you may want to attend a preview of over 55 properties in Dad, Broward & Palm Beach Counties, Florida on November 1st @ the Renaissance, Fort Lauderdale-Plantation Hotel on 1230 S. Pine Island Rd., Plantation, Fla. There are a mix of single family dwellings, condos, townhomes & residential building sites. Good luck. Remember the advice in our last newsletter which you can find on Amerival.net .

NYC REAL ESTATE- Up until several months ago, it was perceived, at best, that NYC real estate was not negatively impacted by the financial crisis. Why! Because it was recognized as a "subprime" thing which would have no real impact on the financial giants headquartered in NYC. *Wrong!* The financial crisis which is worldwide now, has meant the dramatic loss of jobs throughout the city, aside from Wall Street. The impact is now showing in the real estate. What with takeovers which bring consolidation of departments and market exposure plans, there will be much less need for commercial space. An example is the HSBC (international bank) building on Fifth Avenue in Manhattan which went up for bids. The bank was expecting about \$600 million for its 500,000 SF HQ building. The highest bid was 30% lower at just over \$400,000 million. The anticipated move to Wall Street has been scrapped.

The Wall Street fallout is expected to reach LA County, Ca. with anticipations of over 8 mil. SF of office space becoming available. That's 4% of the total.