



# In the Loop Realty Newsletter

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*Amerival*

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## **TURKEY OR SPAM???**

BY: Albert M. Cerone, IFAS, FELLOW

### **THE SPAMS HAVE IT!-**

The manufacturer of Spam can't keep up with the demand. If anyone wants to know the state of the US economy, follow the food companies' stocks. Spam and soups are becoming the staple in far too many households. Yes, the US has always had various economic strata which dictates a top and bottom of our populous. However, when large segments of the market change their eating habits to counter financial difficulties, there is something dramatically wrong.

So far, the federal bailout has ignored the American public's plight of hard times. Don't compare to the Depression of the 30's, because this isn't the 30's and the norm of those days is by far not the norm today's Americans have come to know in the past 20 years. The pain of this "recession" is as bad to Americans today as it was to those of the Depression years, and any other spin by self-proclaimed economists, financial reporters and the like are insulting. About the Spam & Turkey... as long as it was enjoyed with loved

ones it was a very filling and wonderful time because those moments are what the government can't take away.

### **AND YOU THOUGHT YOU HAVE PROBLEMS!-**

There has been more bad news about housing than anyone wants to hear. Well, this will really bring a tear to your bloodshot eyes. The housing market of \$5 mil and up has in the past year taken a 20% nose dive in value. Adding insult to injury, it is expected to decline by another 15% over the next year. To give you perspective, a \$5 mil house a year ago is anticipated to be worth only \$3.4 mil toward the end of next year. There goes the extra week skiing at Vail this Winter.

**HOUSE PRICES-** It irks me that the media refers to housing as "homes". The real estate pros know that a "home" is the environment created by families; while a "house" is the physical dwelling and its improvements including site.

It is reported by Case-Shiller, a company which measure the nominal value of the residential real estate market in the US, that housing prices are recorded at a 16.6% annual decline for the third quarter over the same period of 2007; and higher than the second quarter of 15.1%. And that incoming data is reflecting further declines. Of course this is without the knowledge of the new federal bailout of \$800 billion expected.

### **HOUSING MARKET-**

The October data for housing just was announced. Nationally, new home (house) sale prices are down 7% to \$218,000 from October of 2007. There is now a 11.1 month housing supply in the US. Also, the home price index is indicating the lowest in 28 years. The Commerce Department announced that new house sales decreased 5.3 % to the lowest level since 1991.

So, what does all this mean? Not a helluva lot. It was no mystery as to

what would happen during this last quarter of 2008. With banks no longer making loans and those who would want one not be credit worthy according to the present lending criteria, who one suspects would buy these houses. Oddly, the news of inventory is actually positive. The greater the supply, the lower the housing prices; the lower the housing prices, the more sideline buyers will be able to afford the properties and obtain a loan. The new stimulus is geared to Americans' purchasing items to revive the economy. This will work. Ironically, it is also to our benefit for the EU and Asian economies to endure the same problems, because we started first and rebound first giving the US the upper hand for trade.  
**CONT**

Courtesy of

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**AN INCREDIBLE MIND-** Just received this from a friend and I can't resist including it.

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*Something to think about .....*

You know what would really TICK OFF the Democrats...

Bush should resign now.

Then Dick Cheney becomes President (that would really TICK OFF the liberals)!!!

Then Cheney should appoint Condoleezza Rice as VP.

Then Cheney should resign two weeks later; and, Condoleezza Rice, a Republican becomes the first BLACK President and the first WOMAN President !!!

WHAT A COUPÉ!!!

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**FORECLOSURE-** Fast becoming an oft used word at the dinner table or after the kids go to bed. There are other terms also becoming far too commonplace in the American vernacular. Some of them are, short sale, deed-in-lieu, loan modification and forbearance agreement.

Much of the foreclosure scenarios today are not the fault of the property owner. One can not be able to meet payment obligations because of economic hardships due to job loss, reduced work hours, divorce, death of one of the partners, illness, etc. These are those things that happen to people, not what they bring upon themselves necessarily. In normal, *whatever that may be*, times these happenings are not catastrophic, but in a spiraling downtrend housing market, the result can be devastating financially now and for several years. This is the time for profes-

sionals to assume the role as intermediaries between family members, banks, IRS and local and state government agencies. The biggest problem the public that is undergoing these troubled circumstances is being able to face the problem.

There's embarrassment and emotional turmoil which very commonly stops the people from thinking clearly. They need intervention. They need the help of professionals who can think for them and hopefully minimize their pain. Let's not forget that foreclosure results in moving and that means children must also face embarrassment. They are taken from the schools at which they have a comfort level, and from their friends. If forced to move, the emotional stress of trying to fit in once again very often takes its toll on their personalities and their grades. So, they may suffer for many years to come.

For those going through or contemplating divorce I suggest you seek the assistance of a member of the Jersey Shore Collaborative Law Group. These attorneys, accountants and other professionals are trained in helping make this stressful act much less painful and stressful. Contact it's president, *Ms. Ann Marie O'Hare at 732-240-4259.*

*Ms. O'Hare is a CPA who also is the president of this group. Her reputation in assisting from the accounting standpoint is impeccable.*

Should IRS intervention be needed and this is becoming more and more common, then *contact Mr. Juan Bellu at 732-996-0095. His years of experience and accomplishments as a forensic accountant are unequalled.*

These people are conscientious and truly concerned about their clients rights and futures.

**EVERYONE NEEDS A**

**LAUGH-** If I remember correctly, *Reader's Digest* had a page titled, "Laughter is the Best Medicine". And that is as true today as I remember as a child.

A friend provided these to me.

**Quote of the day from a fund manager:** "This is worse than a divorce... I've lost half of my net worth and I still have my wife..."

**The bailout, a different perspective:** Back in 1990, the US Government seized the Mustang Ranch brothel in Nevada for tax evasion and, as required by law, tried to run it. They failed and it closed. Now, we are being asked to trust the economy of our country to a pack of nit-wits who couldn't make money running a whore house and selling booze?

**Family Spats-**

-My wife sat on the couch next to me while I was watching TV.

She asked, "What's on TV?"

I said, "Dust"

*And then the fight started.*

-My wife was hinting for an anniversary gift. She said, "I want something shiny that goes from 0-200 in about 3 seconds. I bought her a scale. *Then the fight started.*

While at a cocktail party, my wife and I noticed a lady quite drunk. My wife inquired as to who she was. I told her that she was my high school sweetheart; and apparently took to drinking right after our split up. My wife said, "Who would think a person could go on celebrating that long." *Then the fight started*

***Start the day with a smile and it'll be a great day!***