



In the Loop Realty Newsletter

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Amerival

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Personality

ARE YOU STRAPPED IN FOR THE RIDE??

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GET OUR HOUSE IN ORDER!- "The budget should be balanced, the Treasury should be refilled, public debt should be reduced, the arrogance of officialdom should be tempered and controlled, and the assistance to foreign lands should be curtailed lest Rome become bankrupt. People must again learn to work, instead of living on public assistance." -- Cicero, 55 BC

One of these days we'll learn to listen!!

PROOF OF THE LUNACY OF THE US GOVERNMENT... AND US!-

Read this slowly. Let it sink in. *Quietly we go, sheep to the slaughter.*

Does anybody out there have any memory of the reason given for the establishment of the DEPARTMENT OF ENERGY during the Carter Administration? Anybody? Anything? No? Didn't think so. Bottom line ... we've spent several hundred billion dollars in support of an agency, the reason for which not one person who reads this can remember.

READY?? It was very simple, and at the time every-

-body thought it very appropriate.

The Department of Energy was instituted 8-04-1977, to lessen our dependence on foreign oil.

Hey, pretty efficient, Huh? Pretty efficient, what?

And now its 2008, 31 years later and the budget for this necessary department is \$24.2 billion annually. The department employs 16,000 federal employees and about 100,000 contract employees. And, look at the job they have done increasing our oil production and leading the way in reducing our dependency.

This is where you slap your head and say, "What was I thinking?"

Ah yes, good ole bureaucracy. And, now we are turning turn the Banking system over to them?

Will we ever learn????

WE'RE NOT ALONE!

For those saying, "Woe be us" as to new home sales. Take heart. Hong Kong's new home sales fell to its lowest level since 1996. Make you feel better? Me neither.

Maybe this will help. In Wales, that's right, Wales, one of the 3 countries of Great Britain, Scotland, England and Wales, Their major new home builder, Redrow, announced that sales in the 2nd half of 2008 halved the preceding 6 months and prices fell 10%. Their outlook for '09 is dimmer yet. Still no help?

Closer to home! Sheboygan (I always thought the name was a joke) County, Wisconsin, reports annual home sales finished down nearly 20 percent for 2008. I think the 20% is predicated on the only single sale for the year didn't have a barn.

One of the larger home builders in the US, Beazer Homes reported a 56% decline in sales for the 4th Qtr. '08 to the same period of '07.

So what does this all mean. Here's the answer. Don't despair. It means the recovery of the housing market is not far off. You see, one must learn to read the market.

The old adage, "what goes up must come down";and, yes the reverse is true. We as many parts of the world are starting to feel the impact of the correcting market activity. The sales slumps throughout much of the world is the culmination of the extravagant market reactions of the early 21st century. Now, the correction is taking a strong hold. And, here is the proof. As we all are aware, Southern California was very hard hit. Victor Valley is a region of Southern California north of the San Bernardino Mountains in the Mojave Desert. More specifically, it is located in San Bernadino County. It is the largest metro area between San Bernardino and Las Vegas. The existing home market prices have dropped con-

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siderably over the past 2 years. And, now it is correcting itself. Sales for the month of December jumped 17 percent and 207 percent compared to a year ago. The real estate experts there contribute the incredible sales activity to affordability. The prices are now at a level that the appropriate market can afford without being over-extended. The latter factor is critical. A recovery must be led by affordability and not the development of more boutique loan programs.

One asks what can the US government do to help. Well, it's already too late for the government to do anything right. It missed the boat when it didn't put a moratorium on foreclosures and force all existing lenders to maintain existing mortgage rates for the mortgaged (up to the ears) public. But that would have taken *brass*, which we know politicians don't have or otherwise they wouldn't be politicians. If our politicians spent more time running their towns, districts, counties, states and the United States than they do running for office, we probably wouldn't have half the problems we have encountered economically and in other ways.

The correction that Victory Valley is experiencing is based on the public making its own decisions, not government. There are presently nearly 2 million (2,000,000) families whose houses are in foreclosure. That's so sad and it didn't have to be if in fact we had a government (No! Don't blame Bush, we have a Democratic Congress and obviously a majority of states that think Democratic). My goodness, the American public has got to be smarter than to think the president of the US is responsible for any of this! Obama, Bush, Clinton, McCain or Clarabell couldn't and can't do a thing to make things right. Only, with Clarabell (you younger folk, ask a 50's kid) wouldn't bore

you with diatribe and we could have the horn made more melodic.

The foreclosures are sad. To think families are being displaced, embarrassed and forced into lesser living conditions because greed and lack of governmental control or care (that's from top to bottom) created this horror. By the way, most of the foreclosed property owners are of the middle income group (what's left of it). We've spent so much time and money trying to prove we are a non-racist, equal opportunity, welcome mat country that we forgot about the people who have allowed our politicians and government to extol those virtues to the rest of the world.

WHAT ABOUT NEW JERSEY?

NJ has less problems than many of the states especially less than the top troubled states listed in the last edition of this newsletter. We have some foreclosures and yes a still very sluggish resale and new house sale markets. But that's to be expected. However, NJ may suffer some of the effects being experienced by other states as the employee market contracts due to further company closings and cut-backs. Did you know that NJ has the most corporate HQ's in the country? As the financial market continues to retreat along with dependent support corporations, unemployment for the middle—middle to lower—upper income groups (a 6 class system) will increase and the affects shall curtail spending and likely *forced* house sales will impact negatively the value range housing these groups inhabit. NY and Connecticut will also suffer the consequences. But overall, there are already a good amount of refinances and sales are beginning to look up. So, don't despair. We'll be alright.

WHAT A DIFFERENCE 100 YEARS MAKES— We've just completed 2008. Want to see how far we've come. **In 1908:**

Life expectancy was 47 years
14% of homes had bathtubs
8% of homes had a telephone
There were only 8,000 in the US
There were only 147 miles of paved roads in the US
Max speed limit in cities was 10 MPH
Avg. hourly wage was 22 cents
Avg worker earned yearly \$200-\$400
Dentist earned \$2,500 per year
Accountant earned \$2,000 per year
Veterinarian earned \$1,500-\$4,000
95% of births were at home
90% of Drs. had no college education
Sugar was 4 cents a lb.
Eggs were 14 cents a doz.
Coffee was 15cents a lb.
Women washed their hair once a month & used Borax or Egg yolks for shampoo
Las Vegas, Nev. had 30 people
2 of 10 adults couldn't read or write
6% of adults graduated high school
Heroin, marijuana and morphine were sold over the counter
18 % of households had a servant
There were only 230 murders in the United States.

Can you imagine the difference in another 100 years? Or, with our track record & meandering politicians, will we have a country in another 100 years?