



# In the Loop Realty Newsletter

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## ***THE MARTINI INDEX????***

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### ***THE MARTINI INDEX-***

Yup, you read it right. With all the turmoil politically and economically, there is need to laugh... a lot! In the latest *Travel & Leisure* magazine, an index relating the cost of Martini's to the strength of our dollar. With all that goes on in the world, who would think that the cost of a Martini around the world would be of concern let alone the topic of a search. *T & L* did the research to determine the strength of the dollar based on the cost of a gin Martini in various cities throughout the world. They used data from minimally three luxury hotels in each city. So, as a quick recap. The most expensive Martini is in Paris @ \$32.08. The least expensive is in Rio de Janeiro @ \$7.08. NYC has the most expensive in the US @ \$19.25, which means they didn't include the Peninsula Hotel and its Penn Top bar restaurant because believe me they're more expensive there and that's there "speed bar" brands. The cheapest in the US is in New Orleans @ \$9.37. Now this is trivial information, but beats the hell out of what we deal with every day.

### ***INTERNATIONAL***

***TRAVEL-*** To put the US economy in perspective as it interacts with the world, consider the decreased costs to travel abroad this year. Dubai, that sinfully indulgent country catering only to the filthy rich, global crooks and monarchs now has 3 star hotels which are offering rooms at about \$200 per night. United Airlines is offering economy fares from Dulles to Dubai for about \$1,000. Apparently, our sick dollar ain't that sick. The Euro declined about 20% against the dollar, lodging, food, drinks, and souvenirs are down as much as 30%, but don't wait long because that trend is expected to reverse again. Britain is also about 20% cheaper and the cost of a day in Cape Town, South Africa is down about 30%.

All this is great while the NJ Turnpike and GS Pkwy tolls are going up and the tunnels and bridges to NYC are up along with taxi fares. Imagine you can afford the airfares but not tolls!



***TEE MANY MARTINI'S!!*** Or is this truth in advertising? Or possibly full disclosure being satisfied? Whatever, the above photo came from a very highly touted appraiser who is held in high esteem and she's a lady... well? Yeah, she is. This has got to make you laugh and possibly wonder where you can get one.

***CRAMDOWN BILL-*** Without playing politics, the Democratically controlled Senate voted not to vote on the Cramdown Bill which would allow bankruptcy judges to

modify mortgages of troubled borrowers to assist them in avoiding foreclosure. Who led the charge on the Senators? The lending industry. Their excuse. The bill would undermine the confidence by investors in mortgage backed securities which would close up credit lines, increase mort-

***CON'T***

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-gage rates. A great excuse for being concerned about their bottom line first. If they have reasonable fail safe implements in place they will be making good loans which are the basis of acceptability to the secondary market. Let's see, hmm... who was major political contributors to the Democratic Party. Yup! The lending institutions and associations.

**UP—DOWN ??** Leading economic indicators reflected an increase in existing home sales... and that's the good news. The bad news is it happened on the back of decreasing housing prices. Sales increased in December by 6.5 % while the median house sales prices plummeted by 15.3% based on one year ago of the same time. Is that good or bad? Well, it's good for those who found affordable housing and hopefully are in the position to invest some money into modernization and fix up which should help the employment and the economy. It's bad for those who had to sell for less than what they may have needed but at least it lets them get on with their lives. Also, it was reported that over 50% of those dwellings were foreclosed and then there are less in the "for sale pool". Thus, overall it is a good sign.. As said before in this newsletter, we have to let the free market do its thing. Much of this movement is attributed to federal bail out money. If so, I guess Bush wasn't so dumb after all!

Corelogic reports that November and early December housing prices nationally fell 10.6 % for 2008 which reflects the largest decline in over 30 years.

### **OFFICE BUILDING VACANCIES-**

It is reported that the 4th Qtr of 2008 was the 5th straight Qtr showing increased office building vacancies throughout the United States.

### **REFI BOOM OR REFI BUST?-**

This is a great question. Presently, there is a plethora of people seeking refinancing for their houses because of the low interest rates. However, reports are indicating that many will never get those loans because of credit scenarios and house values less than what they need to refinance and payoff existing mortgages. In addition, processing time is nearly 2 weeks when it use to be 24 hours. And, yes, appraisers are still complaining about being pressured for turn-around time. But that may end in May when FNMA and Freddie Mac institute their new program lending policies through which appraisers are compelled to work for Management Companies. Loan Officers and mortgage bankers and brokers will no longer be able to speak with an appraiser. This was Andrew Como's bright idea to deal with forced appraised values and intimidation. But the lending industry put tremendous pressure on him and his "good intentions" were turned to typical screw the public and make them think it feels good. Is that plain enough? The management company is now the middle man. They will order the appraisals and allegedly put them through a review process which will be manned (womanned?) by either failed appraisers or mechanically trained out of work leftovers. In the mean time this fiasco has costs. So, the appraisers will be paid less than what they normally would receive and the public will be charged more than what they would have paid without the management company. So, we the people will pay more. That's the simple math. Let's see! Less work, lower wages, higher costs! Yes, that's the start of the "changes" needed in the US.

**A LITTLE LAUGHTER-** Lord knows we need it.

In a trial in a Southern town a prosecutor calls his 1st witness, an elderly woman. He asks if she knows him. She replies, "Yes, since you were a little boy. And, you've been a disappointment. You lie, cheat on your wife and manipulate people and gossip about everyone. The prosecutor was stunned. Not knowing what to do, he asks while pointing to the Defense Attorney, "Do you know him?" She replies, "Of course, also since he was a child. He's lazy, bigoted, drinks much too much and has cheated on his wife 3 times.. and once with your wife."

The judge shouts out, "Counselors to the bench! He says, "If either of you idiots ask her if she knows me, I'll send you both to the electric chair!"

**GEORGE CARLIN-** Gave this advice on staying young.

1. Throw out non-essential numbers, weight, age, height
2. Keep only cheerful friends; the grouches pull you down.
3. Laugh often, long & loud
4. Enjoy the simple things
5. Keep learning. The brain must be active. The devil's name is Alzheimer
6. The tears happen. Be alive while you are alive.
7. Surround yourself w/ love & your home is your refuge.
8. Cherish your health, If it's good, preserve it; if its bad improve it.
9. Don't take guilt trips
10. Tell the people you love that you love them—often.