



Realty & Valuation Newsletter

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Amerival

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Regional Appraisers

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NEW LOOK, SAME EXCEPTIONAL QUALITY!!

BY: Albert M. Cerone, IFAS, FELLOW

NEW & IMPROVED?

I'm sure most people can't take one more "New & Improved". It's always a wonder why one would think that any company would produce something new that wasn't improved. The old adage works well here. "if it works, don't fix it".

At Amerival we didn't fix anything. Since its inception the quality of professional service has been exceptional. What we did change is the arrangement with the appraisers / experts who have worked on projects and cases with me, Al Cerone. The names in the heading are those gentlemen who have worked with me over the years. Russ Thompson worked with me since 1981. The newest of our group is Dave Kaytes. Dave has worked with me twice and we are awaiting the go-ahead on another

matter right now. Dave is tenacious and professionally driven. His region is the Southwest portion of New Jersey.

Each of the gentlemen who are now part of Amerival have geographical competence in various parts of the State; and, some have expertise in certain types of valuation. Each is very capable of testifying when the occasion arises.

You may ask, Why the change"? Because our client base is growing. I am pleased to say that professional valuation work is finally being appreciated by the savvy attorneys, accountants as well as business and municipal entities.

Each following newsletter shall bear a bio of one of our group. We want you to get to know them. They may be contacting you to hopefully have an opportunity for you to put a face to the name. The success of our growth is based on the level of professionalism of our clientele. It's working now and we look to continue it in this fashion.

HOUSING SLUMP CONTINUES- I truly wish this section could not be written, but it exists and the truth is paramount, albeit harsh.

New housing sales plummeted to a record low in January. With the inclement weather throughout much of the country, February results are likely to be even worse. According to the Commerce Department sales for new homes dropped by 11.2 % which is the lowest rate since 1963.

On an annual basis January saw a 6.1 % drop from last January; and this is with the government pump.

This monthly drop is the third straight month of declining sales. Mortgage applications dropped to their lowest since 1997.

With all this the stock market continues to be somewhat robust which is further proof that the market has nothing to do with housing or the economy. It's about time that was finally realized.

NOT ALL BAD NEWS-

The NY Association of REALTORS cited an 11% increase in home sales over last year and are optimistic that March and April will show another increase as the Federal assistance programs near ending. This will excite buyers in the wings.

FANNIE MAE- When is enough, enough? Fannie Mae reported a 4th Qtr loss of \$25 billion on the heels of falling interest rates and worsened mortgage quality. It's seeking another infusion of \$16 bil. The 4th Qtr. loss of '09 was 7 fold that of one year ago. Thus housing and the economy have become worse over the last year. So much for the recovery the administration tells us is happening.

Courtesy of

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IO LOANS & SUBPRIME- 5 CITIES HURTING-

There is serious concern that the country is about to get a second dose of serious mortgage problems throughout 2010 and 2011, as there is \$47 billion of interest only loans written into both fixed rate and adjustable mortgages that will be due in these 2 years. The fear is with full recognition that 635 of these loans were made without full documentation to include income. The substantial increases in loan payments can bring a plethora of foreclosures and forced sales that conceivably can be worse than what was experienced in 2008 and 2009.

Now, there is some saving grace as long as interest rates remain low. The last few weeks have seen rising rates. Some of the loans coming due have built in that the rate can't drop below that which it is being paid at the time of the termination. Some will allow the rate to go down. So, with that scenario, something bad can become quite good. It's a rather complicated process to get a handle on the negative implications the IO's can have. According to Fitch Ratings, since the last deluge of IO loans being called due, 60 day delinquency rates have risen over 250%. The new wave of IO's may cause the downgrading of the mortgage holders should the negative aspects of this scenario occur.

There are 5 cities that area worst hit by the continued housing decline. You can almost guess which they are. Yes, the ones that had the highest property gains before the bubble burst. They are *Las Vegas*, the Sin City in which housing values declined over 26 % in the past year.

Phoenix experienced an 18% drop in housing values for 2009 vs 2008 and saw the days on the market need to sell a house climb to 131.

Tampa is one of the two cities in Florida which attained the dubious distinction of having the highest property value losses in the country. By end of third quarter 2009 the property values dropped over 15 % but the decline was in a free fall for he 2 months before the year end. It also had a dramatic increase in days on the market to 191 which is the greatest time in the United States of the major metropolitan areas.

Detroit ironically is showing signs of coming out of it's dramatic slide. It's property value loss is at 15% and the days on the market fell to 124. Go Detroit.

Miami is also coming about and showed a 14% decline in property values but the extended days on the market rose to 168. But better late than never.

SPBA MEMBER OF THE ANAGRAMS-MONTH-



Robert C. Novy, Esq.

Bob is one of the most accomplished Elder Law Attorneys in New Jersey. His ability to make his clients comfortable in difficult decisions for their lives and those of their loved ones, is incomparable.

Bob is selected this for this issue as he is about to be honored As Humanitarian of the Year by the American Cancer Society at a gala dinner at Lake Terrace on March 26th. For tickets and information contact the American Cancer Society at 732-818-3517, Ext. 16.

The *Shore Professional Business Association* has attracted the caliper of professionals such as Bob, as its goals are commensurate with those of Bob Novy. It too provides the finest opportunities of business and assistance for its members as Bob demonstrates each day for this clientele. If interested contact Ted Ballin @ 732-269-8482 for info.

Try these on for size. It'll make you take your mind off some of the news. Rearrange the words to make another word or phrase. Answers at the bottom of this column.

Presbyterian

Astronomer

Desperation

Dormitory

The Eyes

THE HUMAN BODY-

Human skin weighs as much as the brain

The human hair can support 6.6 lbs.

It takes food 7 seconds to get from your mouth to your stomach

Human thigh bones are stronger than concrete.

Anagram Answers-

Best In Prayer

Moon Starer

A Rope Ends It

Dirty Room

They See